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Draft Red Herring Prospectus
Dated: February 04, 2025
Please read section 26 & 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with ROC)
100% Book Built Issue

leapfrog Engineering Services

LEAPFROG ENGINEERING SERVICES LIMITED

(formerly Leapfrog Engineering Services Private Limited)

CIN: U74210KA2005PLC036274

Registered Office	Contact Person	Email and Telephone	Website
No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076	**Ms. Sneha Hegde** Company Secretary & Compliance Officer	**E-mail**: cs@lesgroup.in **Tel No:** +91 78994 81340	www.lesgroup.in

NAMES OF PROMOTERS OF THE COMPANY

(i) Mr. Prabhav Narasimha Rao and (ii)Mrs. Priyashaila Prabhav Rao

DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

Type	Fresh Issue Size	OFS* Size	Total Issue Size	Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII
Fresh Issue and Offer for Sale	Up to 3,71,76,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 38,88,000 Equity Shares aggregating to ₹ [●] Lakhs	**Up to 4,10,64,000 Equity Shares aggregating to ₹ [●] Lakhs**	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, as the Company's post issue Paid-up capital would be more than ₹10.00 Crores (Rupees Ten Crores). For details of Share reservation among QIBs, NIIs and RIIs, see ***"Issue Structure"*** beginning on page 308 of Draft Red Herring Prospectus.

OFS: Offer for Sale

Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders

Name of Selling Shareholder	Category of shareholder	No. of Shares Offered	Weighted average cost of Acquisition (in ₹ per Equity Share)
Prabhav Narasimha Rao	Promoter Selling Shareholder	Up to 38,88,000 Equity Shares aggregating to ₹ [●] Lakhs	0.01

RISKS IN RELATION TO THE FIRST ISSUE – This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of our Equity Shares is ₹1/- each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Floor Price, the Cap Price and the Issue Price to be determined by our Company and Selling Shareholder in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in ***"Basis for Issue Price"*** on page 97 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Kannada regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, 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 Red Herring Prospectus. Specific attention of the investors is invited to the section ***"Risk Factors"*** beginning on page 24 of this Draft Red Herring Prospectus.

ISSUER'S & SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares of our company issued through this Draft Red Herring Prospectus are proposed to be listed on the **SME Platform of BSE Limited ("BSE SME")**. In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received "in-principle" approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the **BSE SME**. For the purposes of the issue, the **Designated Stock Exchange** will be **BSE Limited ("BSE")**.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FINSHORE *Creating Enterprise Managing Values* **FINSHORE MANAGEMENT SERVICES LIMITED** Anandlok Building, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India **Contact Person:** Mr. S. Ramakrishna Iyengar **Telephone:** 033 – 2289 5101 / 4603 2561 **Email:** info@finshoregroup.com	Integrated Corporate Solutions Simplified **INTEGRATED REGISTRY MANAGEMENT SERVICES (P) LIMITED** No. 30 Ramana Residency-4th Cross Sampige Road Malleswaram Bengaluru – 560003, Karnataka, India **Contact Person:** Mr. S Giridhar **Telephone:** 080-23460815-819 **Email:** smeipo@integratedindia.in

BID/ISSUE PERIOD

ANCHOR BID OPENS ON: [●]*	BID/ISSUE OPEN ON: [●]	BID/ISSUE CLOSES ON: [●]**

**Our Company and Selling Shareholder in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be One (1) Working Day prior to the Bid/ Issue Opening Date.*

***Our Company and Selling Shareholder may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs One (1) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

Draft Red Herring Prospectus
Dated: February 04, 2025
Please read section 26 & 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with ROC)
100% Book Built Issue

LEAPFROG ENGINEERING SERVICES LIMITED

(formerly Leapfrog Engineering Services Private Limited)

Our Company was originally incorporated as a Private Limited Company in the name of "***Leapfrog Informatics Private Limited***" on May 09, 2005 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently the name of our company was changed to "***Leapfrog Engineering Services Private Limited***" vide a fresh Certificate of Incorporation consequent upon Change of Name dated January 23, 2009 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to "***Leapfrog Engineering Services Limited***" vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2024 bearing Corporate Identification Number U74210KA2005PLC036274 issued by Registrar of Companies – Central Processing Centre (CPC). For further details of change in name and registered office of our company, please refer to section titled "***Our History and Certain Corporate Matters***" beginning on page no 168 of the Draft Red Herring Prospectus.

Registered Office: No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076
Contact Person: Ms. Sneha Hegde, Company Secretary & Compliance Officer; **Tel No**: +91 78994 81340,
E-Mail ID: CS@lesgroup.in; **Website**: www.lesgroup.in; **CIN**: U74210KA2005PLC036274

OUR PROMOTERS: (i) Mr. Prabhav Narasimha Rao and (ii)Mrs. Priyashaila Prabhav Rao

THE ISSUE

INITIAL PUBLIC OFFER UP TO 4,10,64,000 EQUITY SHARES OF FACE VALUE OF ₹1/- EACH ("EQUITY SHARES") OF LEAPFROG ENGINEERING SERVICES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), COMPRISING OF A FRESH ISSUE OF UP TO 3,71,76,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 38,88,000 EQUITY SHARES BY THE PROMOTER SELLING SHAREHOLDER, PRABHAV NARASIMHA RAO ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS, (HEREINAFTER REFFERD AS "PROMOTER SELLING SHAREHOLDER") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹1/- EACH FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹1/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST ISSUE PAIDUP EQUITY SHARE CAPITAL OF THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER. AND [●] EDITION OF [●] REGIONAL NEWSPAPER ([●]) WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED "BSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 299 OF THIS DRAFT RED HERRING PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARE IS ₹1/- EACH AND THE FLOOR PRICE AND CAP PRICE ARE [●] TIMES AND [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.
This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and Selling Shareholder in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, please refer to the chapter titled "Issue Procedure" on page 312 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.1/. The Floor Price, Cap Price and Issue Price determined by our Company and the selling shareholder in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under the chapter titled **"Basis for the Issue Price"** beginning on page 97 of this Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing

GENERAL RISKS

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

ISSUER'S & SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares of our company issued through this Draft Red Herring Prospectus are proposed to be listed on the **SME Platform of BSE India Limited ("BSE SME")**. In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received "in-principle" approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the **BSE SME**. For the purposes of the issue, the **Designated Stock Exchange** will be **BSE Limited ("BSE")**.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FINSHORE *Creating Enterprise Managing Values*	Integrated Corporate Solutions Simplified
FINSHORE MANAGEMENT SERVICES LIMITED Anandlok Building, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India **Telephone:** 033 – 2289 5101 / 4603 2561 **Email:** info@finshoregroup.com **Contact Person:** Mr. S. Ramakrishna Iyengar **Website:** www.finshoregroup.com; **Investor Grievance Email**: investors@finshoregroup.com **SEBI Registration No:** INM000012185 **CIN No:** U74900WB2011PLC169377	**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED** No. 30 Ramana Residency-4th Cross Sampige Road Malleswaram Bengaluru – 560003, Karnataka, India **Telephone:** 080-23460815-819 **E-mail:** smeipo@integratedindia.in **Contact Person:** Mr. S Giridhar **Website:** www.integratedregistry.in **Investor Grievance Email:** giri@integratedindia.in **SEBI Registration No:** INR000000544 **CIN No:** U74900TN2015PTC101466

BID/ISSUE PERIOD

ANCHOR BID OPENS ON: [●]*	BID/ISSUE OPEN ON: [●]	BID/ISSUE CLOSES ON: [●]**

**Our Company and Selling Shareholder in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be One (1) Working Day prior to the Bid/ Issue Opening Date.*
***Our Company and Selling Shareholder may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs One (1) Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

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SECTION I: DEFINITIONS AND ABBREVIATIONS

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

TERMS	DESCRIPTIONS
"Leapfrog Engineering Services Limited", "Leapfrog", "LESL" "The Company", "Our Company", "Issuer Company" or "Issuer"	Unless the context otherwise indicates or implies, ***Leapfrog Engineering Services Limited*** a public limited company incorporated under the provision of Companies Act, 1956 and having its Registered Office at 496, "Chaithanya Dhriti Rudresh", 6th Main, 8th Cross, Vijaya bank Layout, Bengaluru Karnataka -560076.
"we", "our" or "us"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies.
Our Promoters or Promoters of the Company	The promoters of our company being **Mr. Prabhav Narasimha Rao** and **Mrs. Priyashaila Prabhav Rao**
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled "Our Promoters and Promoter Group"

Company Related Terms

TERMS	DESCRIPTIONS
"Articles" or "Articles of Association" or "AOA"	The Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.
Assembling Unit	NO 51/28, And 51/3, K no 1953/235/12, Begur Koppa Road, Yelena Halli, Begur hobli, Bengaluru, Bengaluru Urban, Karnataka 560076
"Board of Director(s)" or "the/our Board"	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
"CFO" or Chief Financial Officer	The Chief Financial Officer of our company being ***"Mrs. Sapna Raghvendra"***
CIN	Corporate Identification Number
Companies Act	The Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being ***"Ms. Sneha Hegde"***
Corporate Social Responsibility committee	Corporate Social Responsibility committee in accordance with the Companies Act, 2013 as disclosed in the Section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of **₹1/-** each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Red Herring Prospectus, which are

TERMS	DESCRIPTIONS
	covered under the applicable accounting standards and other companies as considered material by our Board, as identified in "Our Group Companies"
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
IT Act	The Income Tax Act,1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being **"INE0X6O01027"**
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled ***"Our Management"*** beginning on page no. 173 of this Draft Red Herring Prospectus.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board in accordance with the requirements of the SEBI (ICDR) Regulations
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Peer Review/Statutory Auditor	The Statutory Auditors of our Company having a valid Peer Review certificate in our case being *"M/S Rao Associates, Chartered Accountants, 161, Gayathri, S L Byrappa Road, 3rd Cross, 3rd Main, Hanumanthanagar, Bangalore – 560004"*
Promoters	Shall mean promoters of our Company as mentioned in this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as enlisted in the section titled ***"Our Promoter and Promoter Group"*** beginning on page no. 191 of this Draft Red Herring Prospectus.
Registered Office	496, "Chaithanya Dhriti Rudresh", 6th Main, 8th Cross, Vijaya bank Layout, Bengaluru Karnataka -560076.
Restated Financial Statement	Audited Financial Statements for Six months ended on September 30, 2024 and for the financial years ended on 31st March 2024, 31st March 2023 and 31st March 2022, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/Registrar of Companies	The Registrar of Companies, Bengaluru, Karnataka.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Senior Management	Senior Management means the officers and personnel of the issuer as defined in Regulation 2(1)(bbbb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For details, please refer to section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director
Stakeholders Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.
Wilful Defaulter(s) or Fraudulent Borrower(s)	A person or an issuer who or which is categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or

TERMS	DESCRIPTIONS
	fraudulent borrowers issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

Issue Related Terms

TERMS	DESCRIPTIONS
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment of/ Allotted Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and who has Bid for an amount of at least Rs. 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application/Bid	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application/Bid Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form/Bid Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Application Supported by Blocked Amount/ASBA or UPI	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID. Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by

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	providing UPI ID in the Application Form which is linked from Bank Account of the investor.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Red Herring Prospectus.
ASBA Forms	An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being **"[●]"**
Banker to the Issue Agreement	Agreement dated **[●]** entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, ***"Issue Procedure, - Basis of Allotment"*** beginning on page no. 312 of this Draft Red Herring Prospectus.
Book Running Lead Manager/BRLM	Means a merchant banker registered with the SEBI and appointed by the issuer to manage the issue and in case of a book-built issue, the Book Running Lead Manager(s) appointed by the issuer shall act as the book running Book Running Lead Manager(s) for the purposes of book building. Book Running Lead Manager to the Issue, in this case being ***"M/s. Finshore Management Services Limited"***.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE i.e., www.bseindia.com.
Broker to the Issue	All recognized members of the stock exchange of BSE would be eligible to act as the Broker to the Issue.
BSE	BSE Limited
BSE SME / SME Platform of BSE	SME Platform of BSE Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays).
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, and shall not be more than 120% of the Floor Price.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.

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Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the Draft Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/ Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Stock Exchange	BSE Limited
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated February 04, 2025, issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with BSE Limited under SEBI (ICDR) Regulations.
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹1/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Offer	The Fresh Offer of up to 3,71,76,000 Equity Shares of face value of ₹ 1/- each aggregating up to ₹ [●] Lakhs.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any Offer related expenses shall not be

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	considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue/Public Issue/Issue Size Initial Public Issue/IPO	Public issue of up to **4,10,64,000** Equity Shares of face value of ₹**1**/- each of our Company comprising of up to **3,71,76,000** equity shares of Face Value Rs. 1/- as Fresh Issue of Securities **("Fresh Issue")** and up to **38,88,000** equity shares of Face Value Rs. 1/- as Offer for Sale of Securities **("OFS/Offer for Sale")** for cash at a price of **₹ [●]/-** per Equity Share aggregating to **₹ [●] Lakhs** by our Company, in terms of this Draft Red Herring Prospectus.
Issue Agreement	The Issue Agreement dated December 26, 2024 between our Company, Promoter (the selling shareholder) and Book Running Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being **₹ [●]/-** per Equity Share (including share premium of ₹ [●]/- per Equity Share).
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about the use of the Issue Proceeds please refer to Section titled ***"Objects of the Issue"*** beginning on page no. 86 of this Draft Red Herring Prospectus.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Lot Size	6000 Equity Shares.
Market Maker	Market Maker appointed by our Company from time to time, in this case being ***"[●]"*** who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	Up to [●] Equity Shares of ₹**1**/- each fully paid-up of our Company for cash at a price of **₹ [●]/-** per Equity Share aggregating to ₹ [●] Lakhs only.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] Equity Shares of face value ₹**1**/- each for cash at an Issue price of **₹ [●]/-** per Equity Share (the "Issue Price"), aggregating up to ₹ [●] Lakhs Only.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA)
Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2 Lakh (but not including NRIs other than Eligible NRIs).
OFS/Offer for Sale/Offered Shares	Offer of up to 38,88,000 Equity shares of face value of ₹ 1/- each aggregating to ₹ [●] lakhs being offered for sale by the selling shareholder in the offer
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.

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Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. ***OCBs are not allowed to invest in this Issue***.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Offer Opening Date.
Prospectus	The prospectus dated [●] registered with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar/Registrar to this Issue/RTI	Registrar to the Issue in our case being ***"M/s. Integrated Registry Management Services Private Limited."***
Registrar Agreement	The agreement dated December 30, 2024 entered between our Company, Promoter (the selling shareholder) and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidder(s) or RIB(s)or Retail Individual Investor(s) or RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Selling Shareholder	Shall mean Selling Shareholder of our Company i.e. **Mr. Prabhav Narasimha Rao.** For further details, please refer to section titled ***"Our Promoters and Promoter Group"*** beginning on page 191 of this Draft Red Herring Prospectus
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The agreement dated [●], entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
SME Exchange	"SME exchange" means a trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued

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	in accordance with Chapter IX of SEBI ICDR and includes a stock exchange granted recognition for this purpose but does not include the Main Board;
Specified Locations	Collection Centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Offer.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Offer.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi.
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST)Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/CIR/ P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, SEBI master circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, SEBI master circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 (each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), NSE Circular Reference No. 23/2022 dated July 22, 2022 and 25/2022 dated August 03, 2022 and BSE Circular Reference No. 20220722-30 dated July 22, 2022 and 20220803-40 dated August 03, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

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UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 da ted July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Underwriters	M/s. Finshore Management Services Limited
Underwriting Agreement	The Underwriting Agreement dated [●] entered into between our Company and the Underwriters.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	"Working day" means all days on which commercial banks in Mumbai are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the SEBI, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.

Conventional and General Terms

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ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.

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FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	"Fugitive economic offender" shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Draft Red Herring Prospectus.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

Technical and Industry related terms

TERMS	DESCRIPTIONS
BPM	Business Process Management
BU	Billion Units
CPI	Consumer Price Index
CSO	Central Statistics Office's
DGGI	Director General of Goods & Services Tax Intelligence

TERMS	DESCRIPTIONS
DIPP	Department of Industrial Policy and Promotion
DPIIT	Department for Promotion Industry and Internal Trade
DPR	Detailed Project Report
EDP	Electronic Data Processing
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities
IBEF	India Brand Equity Foundation
IMF	International Monetary Fund
IMP/HRS	Impression per Hour
INR	Indian Rupee Rates
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MYEA	Mid-Year Economic Analysis
NH	National Highway
NITI Aayog	National Institution for transforming India
NMP	National Manufacturing Policy
OMR	Optical Marking Recognition
OSA	Out Sourcing Agent
PMA	Preferential Market Access
PSUs	Public Sector Undertaking
RIMS	Records and Information Management Services
RBI	Reserve Bank of India
R & D	Research and Development
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SMB	Server Message Block
TFA	Trade Facilitation Agreement
UPS	Uninterrupted Power Supply
US	United States
VDP	Variable Data Printing
WPI	Wholesale Price Index

Abbreviations

TERMS	DESCRIPTIONS
₹ or ₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AOA	Article of Association
ASBA	Applications Supported by Blocked Amount
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
B. Com	Bachelor of Commerce
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016 & 2020, as amended

TERMS	DESCRIPTIONS
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.
CS & CO	Company Secretary and Compliance Officer
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign Direct Investment.
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GBP	Great Britain Pound.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
LESL	Leapfrog Engineering Services Limited
MCA	Ministry of Corporate Affairs, Government of India.
M. Com	Master of Commerce
M. Sc	Master of Science
M. Tech	Master of Technology
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
PF	Provident Fund

TERMS	DESCRIPTIONS
Pvt.	Private.
QA & QC	Quality Assessment and Quality Control
R&D	Research and Development
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Depositories Act and the rules and regulations made thereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to "India" in this Draft Red Herring Prospectus are to the Republic of India.

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

In this Draft Red Herring Prospectus, the terms "the Company", "our Company", "Issuer", "Issuer Company", "Leapfrog", "LESL", and "Leapfrog Engineering Services Limited" unless the context otherwise indicates or implies, refers to ***"Leapfrog Engineering Services Limited"***.

In this Draft Red Herring Prospectus, the terms "we", "us", "our", unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies, if any.

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

FINANCIAL DATA

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus are extracted from the restated Financial Statements of our Company for the six months period ended 30th September 2024 and for the financial Years ended on 31st March 2024, 31st March 2023 and 31st March 2022, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled ***"Financial Statements as Restated"*** beginning on page no 202 of this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in the Sections titled ***"Risk Factors"***, ***"Our Business"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page no. 24, 130, and 262 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Draft Red Herring Prospectus.

CURRENCY AND UNITS OF PRESENTATION

All references to "Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "£" or "GBP" are to Great Britain Pound, the official currency of the United Kingdom. All references to "$", "US$", "USD", "U.S. $" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "Lakh" units. One lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million and 'billion / bn./ Billions' means 'one hundred crores'

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, Department for Promotion of Industry and Internal Trade, India Brand Equity Foundation (IBEF) and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, neither we nor the Book Running Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled ***"Risk Factors"*** beginning on page no. 24 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information.

EXCHANGE RATES

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency#	As on September 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
1 USD	83.79	83.37	82.22	75.81

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.
 # Source: www.fbil.org.in

FORWARD-LOOKING STATEMENTS

The Company has included statements in this Draft Red Herring Prospectus which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled ***"Risk Factors"***; ***"Industry Overview"***; ***"Our Business"***; and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"***; beginning on page no. 24, 109, 130 and 262, respectively, of this Draft Red Herring Prospectus.

The forward-looking statements contained in this Draft Red Herring Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- Changes in laws and regulations relating to the Sectors in which we operate;
- Emergence of alternate products which may be technologically advanced and our inability to keep pace with the change
- Political instability or changes in the Government of the states/countries where we operate could cause us significant adverse effects;
- Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- Impact of any reduction in sales of our products;
- Increased competition in industries/sector in which we operate;
- Our ability to expand our geographical area of operation;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability; and
- COVID-19 pandemic and similar circumstances

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, Our Directors, Selling Shareholders, the Book Running Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, Selling Shareholders and the Book Running Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Red Herring Prospectus until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF DRAFT RED HERRING PROSPECTUS

SUMMARY OF DRAFT RED HERRING PROSPECTUS

(A) PRIMARY BUSINESS OF OUR COMPANY AND THE INDUSTRY IN WHICH IT OPERATES:

❖ **Primary Business of Our Company:**

Incorporated in the year 2005, Leapfrog Engineering Services Limited is engaged into execution of integrated engineering, procurement, construction, and commissioning (EPCC) contracts with a specialized focus on electrical, instrumentation, fire safety, modular substation and automation systems. We provide EPC services for a wide range of industries, including Oil and Gas, Food processing, Pharma, Metals among others.

Our expertise spans a wide range of engineering solutions, making us a versatile and comprehensive service provider in the industry. We cater to a highly diversified client base, delivering tailored solutions across numerous sectors. Our operations extend across multiple states within India and also internationally, serving clients in many countries around the globe.

*(For Detailed information on our business, please refer to chapter titled **"Our Business"** beginning from page no. 130 of this Draft Red Herring Prospectus.)*

❖ **Summary of the industry in which our Company operates:**

The engineering goods export of India had a share of 25.22% out of the total exports during the financial year 2023-24 from the country, as the exports jumped to US$ 109.22 billion as compared to US$ 106.93 billion during the last financial year 2022-23. In FY25 (until June 2024), the exports of engineering goods stood at US$ 27.66 billion. The impressive growth in Engineering Goods exports in recent years has largely been due to the zero-duty Export Promotion Capital Goods (EPCG) scheme of the Ministry of Commerce & Industry which forms part of the Foreign Trade Policy (FTP) of the Government of India.

*(For further detailed information, please refer to chapter titled **"Industry Overview"** beginning from page no. 109 of this Draft Red Herring Prospectus.)*

(B) NAME OF THE PROMOTERS OF OUR COMPANY:

(i) Mr. Prabhav Narasimha Rao and **(ii) Mrs. Priyashaila Prabhav Rao** are the promoters of our company.

*(For further details, please refer chapter **"Our Promoters and Promoters Group"** beginning from page no. 191 of this Draft Red Herring Prospectus.)*

(C) SIZE OF THE ISSUE:

Initial Public issue of up to **4,10,64,000** equity shares of face value of ₹1/- each ("Equity Shares") of **Leapfrog Engineering Services Limited** ("The Company" or "The Issuer") comprising of up to **3,71,76,000** equity shares of Face Value Rs. 1/- as Fresh Issue of Securities **("Fresh Issue")** and up to **38,88,000** equity shares of Face Value Rs. 1/- as Offer for Sale of Securities **("OFS/Offer for Sale")** for cash at a price of **₹** [●]**/-** per equity share aggregating to **₹** [●] Lakhs ("The Issue"), of which up to **[●]** equity shares of face value of ₹1/- each for cash at a price of **₹** [●]**/-** per equity share, aggregating to **₹** [●] lakhs will be reserved for subscriptions by the Market Maker to the issue (The "**Market Maker Reservation Portion**"). The issue less market maker reservation portion i.e., Issue of up to **[●]** equity shares of face value of ₹1/- each for cash at a price of **₹** [●]**/-** per equity share, aggregating to **₹** [●] lakhs is here-in after referred to as the **"Net Issue"**. The issue and the net issue will constitute [●]% and [●]% respectively of the post issue paid up equity share capital of the company.

*(For further details, please refer chapter **"Terms of the Issue"** beginning from page no. 299 of this Draft Red Herring Prospectus.)*

(D) DETAILS OF THE SELLING SHAREHOLDERS

The selling shareholder have consented to participate in the offer for sale in the following manner:

Name	Type	Authorization Letter date	No. of Equity Shares Held	No. of shares offered by OFS	% of pre-issue paid-up equity share capital
Prabhav Narasimha Rao	Promoter Director	December 13, 2024	4,76,28,000	38,88,000	3.63%

(E) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

₹ in lakhs

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	Funding Capital Expenditure towards purchase of additional plant and machinery	Up to 2,806.91	[●]	Up to 2,806.91
B	Working Capital Requirements	Up to 4,506.03	[●]	Up to 4,506.03
C	General Corporate Expenses	[●]	[●]	[●]
	Net IPO Proceeds	[●]	[●]	[●]

*For further details, please refer chapter **"Objects of the Issue"** beginning from page no. 86 of this Draft Red Herring Prospectus.*

(F) PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS & PROMOTERS GROUP AND SELLING SHAREHOLDERS AS ON THE DATE OF THIS DRAFT RED HERRING PROSPECTUS:

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
Promoters		
Prabhav Narasimha Rao	4,76,28,000	44.44%
Priyashaila Prabhav Rao	4,56,12,000	42.55%
Total Promoters Shareholding (A)	**9,32,40,000**	**86.99%**
Promoter Group		
Ayush P Rao	40,32,000	3.76%
Pranav Narasimha Rao	12,18,000	1.14%
Pratibha Upadhyaya	2,52,000	0.24%
Upanishad Prashant Rao	2,52,000	0.24%
Prajna Shridhar Acharya	2,52,000	0.24%
Total Promoters Group Shareholding (B)	**60,06,000**	**5.60%**
Total Promoters & Promoters Group (A+B)	**9,92,46,000**	**92.59%**

*For further details, please refer chapter **"Capital Structure"** beginning from page no. 72 of this Draft Red Herring Prospectus.*

(G) SUMMARY OF RESTATED FINANCIAL STATEMENTS:

(₹ in Lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Share Capital	1,008.00	48.00	48.00	48.00
Total Net Worth	2,606.48	2,171.03	531.76	503.46
Total Revenue	3,208.71	16,287.69	10,537.88	4,228.90
Profit After Tax	435.45	1,639.27	28.30	62.29
Earnings Per Share (Basic & Diluted) ***(As per Restated financials)***	0.43	341.51	5.90	12.97
Earnings Per Share (Basic & Diluted) ***(after giving retrospective effect of Bonus and Split) (As per Restated financials)***	0.43	1.63	0.03	0.06
Net Asset Value per equity share ***(As per Restated financials)***	2.59	452.30	110.78	104.89
Net Asset Value per equity share ***(after giving retrospective effect of Bonus and Split) (As per Restated financials)***	2.59	2.15	0.53	0.50
Total Borrowings (Fund based)	1,796.85	1,377.85	1,304.69	1,981.74

*(For further details, please refer chapter **"Capital Structure"** and **"Financial Statements as Restated"** beginning from page no. 72 and 202 respectively of this Draft Red Herring Prospectus.)*

(H) AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS:

The auditor report of Restated Financial Information of Leapfrog Engineering Services Limited, for the six months ended September 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 does not contain any qualifications which have not been given effect in the restated financial statements.

*(For further details, please refer chapter **"Financial Statements as Restated"** beginning from page no. 202 of this Draft Red Herring Prospectus.)*

(I) SUMMARY OF OUTSTANDING LITIGATIONS:

A summary of legal and other proceedings is given below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)
Company							
By the Company	-	-	-	-	-	1	1000.00
Against the Company	1	6	-	-	-	1	1068.89
Promoters & Directors							
By the Promotes/Directors	-	-	-	-	-	-	-
Against Promoters/Directors	1	-	-	-	-	1	Not Quantifiable
Group Companies							
By the Group Companies	-	-	-	-	-	-	-
Against Group Companies	-	2	-	-	-	-	1.11

*For further details, please refer chapter **"Outstanding Litigation and Material Developments"** beginning from page no. 273 of this Draft Red Herring Prospectus.*

(J) CROSS REFERENCE TO THE SECTION TITLED RISK FACTORS:

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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus.

(For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled ***"Risk Factors"*** *beginning on page no. 24 of this Draft Red Herring Prospectus.)*

(K) SUMMARY OF CONTINGENT LIABILITIES:

As per restated financial statements, the company has contingent liabilities towards Bank Guarantee, Claim against Debt, Provision for Gratuity and Leave Encashment to the tune of ₹ 1,338.90 Lakhs as on September 30, 2024.

(For further details, please refer chapter ***"Financial Statements as Restated"*** *beginning from page no. 202 of this Draft Red Herring Prospectus.)*

(L) SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS:

(₹ in Lakhs)

Particulars		For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Director's Remuneration					
Prabhav N Rao		16.50	-	-	28.65
Sapna Raghavendra		10.61	18.08	16.75	7.33
Priyashaila P Rao		7.50	14.03	15.69	10.96
Laxman K		-	18.80	16.22	12.19
Sitting Fees to Directors					
K Giridhar		1.00	-	-	-
Krishnamurthy S P		1.00	-	-	-
Vijay Kumar Sajjan		1.00	-	-	-
Remuneration to Company Secretary					
Harshavardan Reddy		3.14	-	-	-
Travel/Salary Advances					
Prabhav N Rao		8.05	-	-	-
Laxman K		-	6.00	-	-
Professional Fees to Directors					
Prabhav N Rao		-	55.76	37.43	-
K Giridhar		0.33	-	-	-
Associate Enterprises	**Transaction**				
Bigleap Ventures & Consultancy Services	Contract Revenue	-	-	131.74	-
Bigleap Ventures & Consultancy Services	Services	39.91	97.50	-	-
Bigleap Ventures & Consultancy Services	Advances for supply	80.34	131.34	-	-
Bigleap Ventures & Consultancy Services	Rent	27.55	44.72	33.00	38.84
Bigleap Ventures & Consultancy Services	Rent Deposit	-	50.00	-	-
Leapfrog Automation and Control Systems	Purchase	80.19	371.52	213.08	-
Leapfrog Automation and Control Systems	Services	-	75.25	-	-
Leapfrog Automation and Control Systems	Contract Revenue	-	-	32.03	
Leapfrog Automation and Control Systems	Advances for supply	187.59	177.78	-	-
Leapfrog Automation and Control Systems	Rent	4.50	-	-	-
Green Fire Safety and controls Private Limited	Balance Written Off	-	40.35	-	-
Achates Hospitality Services Private Limited	Balance Written Off	-	12.03	-	-
Orbis Technosphere Private Limited	Balance Written Off	-	2.51	-	-
Loan from Directors	NA				
Loan Repaid to Directors	NA				
Loan from Directors (Net)	NA				

Balances with Related Parties *(₹ in Lakhs)*

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Payables				
Leapfrog Automation and Control Systems	-	-	-	-
Bigleap Ventures & Consultancy Services	-	13.02	-	-
Receivables				
Leapfrog Automation and Control Systems	359.61	266.58	159.49	-
Bigleap Ventures & Consultancy Services	119.76	296.39	150.86	74.15
Green Fire Safety and Controls Private Limited	-	-	40.35	40.35
Prabhav N Rao	8.05	-	233.72	316.67
Laxman K	-	6.67	-	-

*For details pertaining to Related Party Transactions, kindly refer to the chapter titled **"Financial Statements as Restated – Related Party Transactions"** beginning on page no. 243 of this Draft Red Herring Prospectus*

(M) DETAILS OF FINANCING ARRANGEMENT:

There are no financing arrangements whereby the promoters, member of promoter group, the directors of the company which is a promoter of the issuer, the directors of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

(N) WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WAS ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT RED HERRING PROSPECTUS:

Sl. No.	Name of the Promoter	No. of Shares Acquired during last one Year*	Consideration	Weighted Average Price (In ₹ per Equity Share)
1	Prabhav Narasimha Rao	4,53,60,000	-	-
2	Priyashaila Prabhav Rao	4,34,40,000	-	-

** considering sub-division of shares from face value of ₹ 10/- to ₹ 1/-*
(The Equity Shares of the Company as mentioned above were acquired by way of further allotment and bonus issue)

(O) AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS:

Sl. No.	Name of the Promoter	No. of Equity Shares Held*	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Prabhav Narasimha Rao	4,76,28,000	0.01
2	Priyashaila Prabhav Rao	4,56,12,000	0.05

** considering sub-division of shares from face value of ₹ 10/- to ₹ 1/-*
The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer or bonus issue and shares received as gift etc. less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Draft Red Herring Prospectus.

(P) DETAILS OF PRE-IPO PLACEMENT:

Our Company has not proposed any Pre-IPO placement from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

(Q) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT RED HERRING PROSPECTUS:

Date of Allotment	Number of Equity Shares allotted*	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
17-05-2024	9,60,00,000	N/A	Nil	Bonus Issue	#	Capitalization of reserves

** considering sub-division of shares from face value of ₹ 10/- to ₹ 1/-*

*# For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled **"Capital Structure"** beginning on page no. 72 of this Draft Red Herring Prospectus.*

(R) DETAILS OF SPLIT/CONSOLIDATION OF OUR EQUITY SHARES IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT RED HERRING PROSPECTUS:

Our Company has sub-divided the face value of its Equity Shares from ₹ 10/- to ₹ 1/- each vide Extra Ordinary General Meeting dated August 05, 2024.

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

The Company has not sought for any exemptions from complying with any provisions of securities laws.

SECTION III: RISK FACTORS

RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, ***Our Business,*** *and* ***Management's Discussion and Analysis of Financial Condition and Results of Operations*** *beginning on page no. 130 and 262 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

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

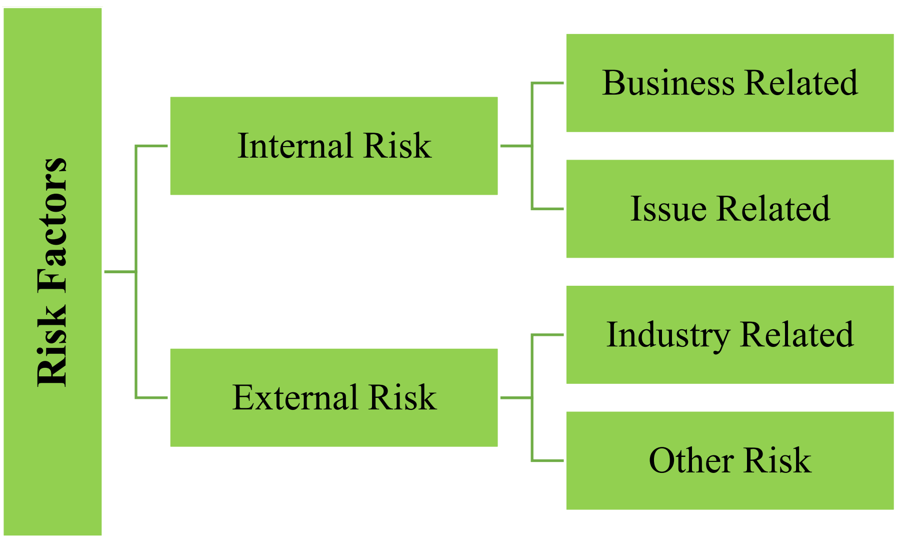
This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

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

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

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

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



INTERNAL RISK FACTORS

A. Business Related Risks

1. Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.

Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Directors, Promoters and Group Companies as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)*
Company						
By the Company	-	-	-	-	1	1000.00
Against the Company	1	6	-	-	1	1068.89
Promoters & Directors						
By the Promoters/Directors	-	-	-	-	-	-
Against the Promoters/Directors	1	-	-	-	1	Not Quantifiable
Group Companies						
By the Group Companies	-	-	-	-	-	-
Against Group Companies	-	2	-	-	-	1.11

** to the extent quantifiable*

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

For further details, please refer chapter ***"Outstanding Litigation and Material Development"*** beginning from page no. 273 of this Draft Red Herring Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Draft Red Herring Prospectus.

There can be no assurance that these litigations will be decided in favour of our Company, Directors, Promoters and Group Companies, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations.

2. Dependence on Leased Premises for Business Operations

Our company currently operates both its registered office and assembly unit from leased premises. Specifically, our registered office is located at 496, "Chaithanya Dhriti Rudresh," 6th Main, 8th Cross, Vijaya bank Layout, Bengaluru, Karnataka - 560076, and our assembly unit operates from NO 51/28, and 51/3, K no 1953/235/12, Begur Koppa Road, Yelena Halli, Begur Hobli, Bengaluru Urban, Karnataka - 560076. As these facilities are not owned but taken on lease, they present a potential risk to our business and, in turn, to our investors. For details related to premises taken on lease basis please refer the "Details of immovable property" in the section ***"Our Business"*** appearing on page no. 130 of this Draft Red Herring Prospectus.

The leases on these premises may be terminated for reasons beyond our control, which could necessitate relocation or potentially even result in a temporary halt to our operations. Such relocation could lead to disruptions in business, additional expenditures, and challenges in securing new, suitable facilities on reasonable commercial terms within an acceptable timeframe, if at all. In some cases, new locations may come with higher rent or significant additional costs related to setup. Additionally, any unfavourable changes affecting the property rights, ownership, or development rights of the property owners, or any breach of lease terms, could disrupt our operations. Any of these occurrences could have a material and adverse impact on our business continuity, financial condition, and operational results.

3. We may face several risks associated with the object of the issue of setting up of proposed Assembling Unit, which could hamper our growth prospects, cash flows and business and financial condition.

We intend to utilize a portion of the Net Proceeds of this Issue towards setting up an assembling unit through carrying our Civil Works and installation of plant & machinery at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka. For further details, please refer to the chapter titled ***"Object of the Issue"*** at page 86 of this Draft Red Herring Prospectus.

During the process of carrying out Proposed assembling unit, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management, which may in turn delay the utilization of the Net Proceeds which in turn delay the commencement of commercial operation of our proposed assembling unit.

Any delay in carrying out the proposed assembling unit could lead to revenue loss for our Company. Further, our implementation plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. We cannot assure that we will be able to complete the aforementioned assembling unit in accordance with the proposed schedule of implementation and any delay in setting up such project in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled ***"Objects of the Issue"*** and ***"Our Business"*** on pages 86 and 130, respectively of this Draft Red Herring Prospectus.

4. We cannot assure you that the proposed assembling unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new facility in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.

We intend to utilise the proceeds of this Issue for setting up of an assembling unit at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka at a total estimated cost of ₹ 2,816.91 lakhs. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and government approvals and consents. Further, our Company has made advance payment of land to be acquired in relation to our aforementioned capital expenditure and will apply for all such necessary approvals that it may require at the relevant stages. We cannot assure you that the necessary approvals shall be granted to us or shall be granted to us within the prescribed time period or that there will not be any delay in obtaining such approvals. Additionally, we may face risks in commissioning the proposed facility including but not limited to, delays in the construction or for other unknown reasons, our proposed project does not function as efficiently as intended, or utilisation of the resources is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the plan for proposed assembling unit.

In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled ***"Objects of the Issue"*** on page 86 of this Draft Red Herring Prospectus.

5. **The cost estimates for the proposed assembling unit at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka have been derived from management estimates and quotations received from third parties and may not be accurate.**

The estimated cost of the proposed assembling unit at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka will be approximately ₹ 2,816.91 lakhs. For ascertaining this cost reliance has been placed on the estimates and budgets decided based on management estimates and third-party quotations received from machinery manufactures, civil work contractors, and the same has not been appraised by any bank or financial institution. The actual costs of expansion of our facilities may exceed such budgeted amounts due to a variety of factors such as construction delays, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. Our financial condition, results of operations and liquidity would be materially and adversely affected if the cost estimates for the proposed expansion materially exceed the budgeted amounts. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details of the scheduled operational dates of our proposed unit, see ***"Objects of the Issue"*** on page 86 of this Draft Red Herring Prospectus.

6. **Our Company is yet to place orders for civil work and plant & machineries for the proposed assembling unit. Any delay in placing orders or completion of civil works or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.**

Our Company has received third party quotations for the civil works to be constructed and quotations for machinery proposed to be installed at our proposed assembling unit. Although, we have identified the type of machinery proposed to be purchased from the Net Proceeds. As on date of Draft Red Herring Prospectus, we have not placed orders for civil works and plant & machineries and orders for the same are yet to be placed. The cost of the proposed construction of civil works and purchase of machinery is based on the quotations received from third party vendors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled ***"Objects of the Issue"*** beginning on page 86 of this Draft Red Herring Prospectus.

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

7. **EPCC projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new infrastructure projects are not awarded to us or if contracts awarded to us are prematurely terminated.**

EPCC projects are typically awarded to us through a competitive bidding process, where we must meet stringent technical and financial criteria. Factors such as project experience, technical expertise, service quality, and financial resources significantly influence our ability to secure contracts. However, we cannot guarantee that we will consistently meet these qualifications, either independently or with joint venture partners. Even when we do qualify, projects are often awarded based on bid competitiveness, and preparing and submitting bids involves non-reimbursable costs. There is no certainty that projects for which we are prequalified will result in awards, nor that our submitted bids will be selected. In instances where we do not meet qualification standards independently, we partner with third parties, although forming such alliances comes with its own risks. We may face challenges in finding suitable joint venture partners or may be unable to attract partners who view us as their partner of choice, potentially limiting our opportunities to bid on large-scale projects. Additionally, the failure or disqualification of a partner could affect our bids and project success, possibly leading to unforeseen expenses or even losses.

Another challenge we face is the risk of client-initiated contract termination. Our contracts typically contain provisions that allow clients to end agreements, in which case they may need to compensate us based on the value of incomplete work. The compensation process can be lengthy, and we cannot be assured of receiving timely or adequate payment that covers our costs and anticipated profits. Legal proceedings in these cases may divert management's attention, require financial resources, delay project timelines, or potentially strain client relationships. There is no certainty that such proceedings will consistently conclude in our favour. If such early terminations occur, they may have a significant adverse impact on our business operations, profitability, and financial health. However, no such incidents have occurred in the past, and we are proactively implementing measures to minimize the likelihood of these challenges arising in the future. We remain committed to monitoring and adapting to market conditions and to diversifying our global footprint to ensure continued stability and growth.

8. Dependence on Middle Eastern Markets for Export Revenue

Our company's export revenue is significantly concentrated in Middle Eastern markets, with Kuwait being a primary contributor. This reliance exposes us to regional economic fluctuations, political instability, and regulatory changes that could disrupt our revenue flow from these key markets. Any downturn or unexpected policy shift in these countries such as new import restrictions, currency instability, or trade barriers could immediately impact our financial stability. Additionally, regional geopolitical tensions or economic sanctions could affect our ability to trade or increase the cost and complexity of doing business in these markets, further impacting profitability.

To address these risks, a strategic expansion into diverse international markets is essential. Expanding our presence across various global regions would provide a more balanced revenue stream, reducing our vulnerability to external factors in any single market. By diversifying geographically, we could build a more resilient business model that enhances our competitive position, even in times of regional market disruptions. Failure to broaden our international reach, however, could leave our financial condition, business continuity, and operational outcomes highly exposed to the dynamics of the Middle Eastern market, potentially resulting in significant adverse effects on our long-term growth and stability.

9. Our business is substantially dependent on certain key customers, from whom we derive a significant portion of our revenues. The loss of any significant customer may have a material and adverse effect on our business and results of operations.

Our business is dependent on a few customers and the loss of, or a significant reduction in orders by such customers could adversely affect our business. Revenues from any of our particular customers may vary significantly from reporting period to reporting period, depending on the nature of ongoing orders and the implementation schedule for such orders. The efficiency of the sales and marketing network is critical to success of our Company.

Our success lies in the strength of our relationship with the customers who have been associated with our Company. However, such concentration of our business on a few customers may adversely affect us if we do not achieve our expected margins or suffer losses on one or more of these customer contracts. Significant revenue from a few customers increases the potential volatility of our results and exposure to individual contract risks with such customers, which may have an adverse effect on our results of operations. There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the industry or the economic environment, may materially and adversely affect our business, results of operations and financial condition.

Substantial portion of the Company's revenues has been dependent upon a few customers. For the six months period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, our top ten customers accounted for approximately 99.00%, 98.81%, 99.32% and 100.00% of our revenue from operations.

To sustain and enhance our revenue, our focus is on attracting new customers and encouraging existing ones to allocate a larger share of their marketing spend to us. While we cannot guarantee the timely or complete payment from key contributors to our revenue stream, we remain optimistic about our ability to navigate these situations effectively. In the event that any significant customers face challenges in meeting their obligations, we are confident in our proactive approach to minimize adverse effects on our business, financial condition, and results of operations.

Our commitment to maintaining strong and enduring relationships with customers has been a key factor in our success, providing a foundation for continued collaboration and growth. Our team through their experience and good rapport with these customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. Moreover, we are geared towards understanding the evolving needs of our customers, fostering repeated orders. This sustained engagement is a testament to our commitment to quality and our robust designing and tooling capabilities.

Our long-term relationships with the customers are indicative of our quality consciousness and our designing and tooling capabilities. While adding new customers in turnkey projects poses certain challenges, our Company has developed strong marketing and research team for approaching new customers.

10. **The company's business is dependent on certain suppliers and the loss of one or more of them would have a material adverse effect on the business.**

A substantial portion of the company's purchases has been dependent upon a few suppliers. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability. We depend on a number of suppliers, for procurement of raw materials required for our operations. For the six months period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, top ten suppliers accounted for 87.65%, 80.71%, 86.62% and 69.44% of our total purchases respectively. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Inadequate and timely unavailability substandard quality of the raw materials used in our operations, could have a material adverse effect our business. Further, any discontinuation of supply by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our implementation schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

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

While our Order Book has historically provided a solid foundation of work, it may not accurately represent our future results, and actual income could be substantially lower than the projections it reflects. This discrepancy could occur due to various factors, such as project delays, cancellations, or unexpected changes in client requirements. If our Order Book does not translate into the anticipated revenue, it may adversely affect our operational results and financial performance.

Although we have maintained a robust Order Book in the past and present, there is no guarantee that this trend will continue in the future. Market conditions, competitive pressures, or changes in client demand could impact the volume or nature of new orders we receive. A reduction in future orders or an inability to replenish our Order Book with high-value projects could affect our revenue flow and growth potential, creating uncertainties for our long-term business outlook.

12. ***Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years:

₹ in lakhs

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Net cash generated/(used) from operating activities	(360.50)	(0.12)	1,185.63	142.37
Net Cash generated/(used) from investing activities	28.09	(50.53)	(15.19)	21.41
Net Cash generated/(used) from financing activities	316.31	(106.36)	(815.97)	(117.57)
Net increase/(decrease) in cash and cash equivalents	(16.10)	(157.01)	354.47	46.21

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see ***"Financial Statements as Restated"*** beginning on page 202 of this Draft Red Herring Prospectus.

13. *The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.*

Our Promoters 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 Red Herring prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
Prabhav Narasimha Rao	4,76,28,000	0.01
Priyashaila Prabhav Rao	4,56,12,000	0.05

14. *We have issued Equity Shares in the last 12 (twelve) months at a price which is lower than the Issue Price.*

During the last 12 (twelve) months, we have issued Equity Shares at a price that is lower than the Issue Price, as set forth below.

Date of Issue	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Allotment
17-05-2024	9,60,00,000*	1/-	Nil	Bonus Issue

** sub-division of shares from Face Value of ₹ 10/- to ₹ 1/-*

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further details regarding such allotments, see ***"Capital Structure"*** on page 72 of this Draft Red Herring Prospectus.

15. *We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.*

Our contingent liabilities for the restated period were as follows:

₹ in lakhs

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Claim against Debt	1,042.70	1,042.70	1,042.70	1,042.70
Bank Guarantee	234.80	755.02	-	-
Provision for Gratuity	47.69	42.80	62.04	51.22
Provision for Leave Encashment	13.71	9.98	7.89	4.26

For further details of the contingent liabilities and commitments of our Company as on September 30, 2024, see ***"Restated Financial Information"*** on page 202 of this Draft Red Herring Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

16. Our Group Companies have incurred losses in the past and may incur losses in the future.

Our Group Companies have incurred losses in the preceding three fiscals and having negative net worth. The details of net worth and profit/loss of such Group Companies for the preceding three fiscals are as follows:

Greenfire Safety and Controls Private Limited *₹ in lakhs*

Name of Group Company	31-03-2024	31-03-2023	31-03-2022
Net Worth	-	(35.91)	(35.84)
Total Turnover	48.07	-	-
Profit after Tax	35.91	(0.08)	(0.08)

Achates Hospitality Services Private Limited *₹ in lakhs*

Name of Group Company	31-03-2024	31-03-2023	31-03-2022
Net Worth	-	(5.66)	(5.59)
Total Turnover	15.62	-	-
Profit after Tax	5.66	(0.08)	(0.08)

Orbis Technosphere Private Limited *₹ in lakhs*

Name of Group Company	31-03-2024	31-03-2023	31-03-2022
Net Worth	-	(14.18)	(14.10)
Total Turnover	17.97	-	-
Profit after Tax	14.18	(0.08)	(0.08)

We cannot assure you that our Group Companies will not incur losses in the future. This may lead to reputational loss or decline in our overall profitability. For further details on the financial information of our Group Companies, see ***"Our Group Companies"*** on page 197 of this Draft Red Herring Prospectus.

17. Potential Financial Impact of Collateral Forfeiture on Business Stability

The properties owned by our company's promoters have been pledged as collateral to secure financing that is essential to our operations and growth. In the event that we default on loan repayments, including both the principal amount and any interest accrued, our lenders may exercise their legal rights to seize these assets. The forfeiture of such collateral would not only result in the loss of valuable promoter assets but could also severely limit our ability to secure future funding. This could place a significant strain on our financial health and potentially compromise our business operations, as access to essential liquidity and credit lines may be restricted.

Should our company face asset forfeiture, the consequences could be far-reaching, impacting everything from daily cash flows to long-term financial planning. Without sufficient assets to offer as collateral for future loans, our company may struggle to raise additional capital, limiting our ability to invest in growth initiatives, innovation, or competitive strategies. Additionally, the loss of promoter-backed assets may diminish investor confidence in our stability, causing potential declines in stock value, and affecting overall shareholder value. This increased financial vulnerability could not only impact our current operations but also have long-term adverse effects on our market reputation and position within the industry.

For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled ***"Our Business"*** and ***"Restated Financial Information"*** beginning on page 130 and 202 respectively of this Draft Red Herring Prospectus.

18. Our projects are exposed to various implementation and other risks, including risks of time and cost overruns, and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects.

Our projects are generally subject to strict completion timelines as specified in the relevant work orders, and we make strong commitments to our clients regarding both timely delivery and quality standards. While we work diligently to meet these deadlines, the scheduled completion targets for our projects are estimates that can be influenced by unforeseen factors. These may include engineering challenges, force majeure events, right-of-way issues, financial constraints, unexpected cost escalations, or adverse weather conditions. While we strive to manage such risks, we cannot fully guarantee that delays will not occur in the future. Any delays in project completion could result in increased working capital requirements, potentially affecting our financial performance. Furthermore, repeated or significant delays may harm our company's reputation.

In the event that a project completion delay occurs without an agreed-upon exception, the client may reserve the right to terminate the work order. Should this happen, we might only receive partial payments and may be liable for delay damages as outlined in the contract, which could impact our cash flow for that project. Additionally, the client could choose to reissue a fresh tender for the unfinished work on a "risk and cost" basis, potentially requiring us to compensate the client for any additional expenses they incur. If such risks materialize, it could lead to considerable time and cost overruns, resulting in potential project losses and adversely affecting our company's profitability and financial health. While our company has historically completed projects without unusual time or cost overruns, any significant delays in the future could impact our financial results and corporate reputation. Moreover, there have been no substantial changes in the company's activities over the past three years that would materially affect our profits or losses, such as the discontinuance of business lines, loss of agencies, or similar factors.

19. ***Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.***

Our business operations rely on a range of approvals, licenses, registrations, and permits, which must be obtained and periodically renewed. These regulatory requirements span multiple jurisdictions within India, involving the Government of India, State Governments, and various regulatory bodies. Additionally, because we operate in foreign markets, our business is also subject to the regulations, licenses, and compliance standards of other countries. Adherence to these domestic and international regulations is crucial for our ongoing operations, as failure to obtain or renew these permissions could significantly impact our financial health, operational continuity, and overall business performance.

Furthermore, both we and our clients may require specific regulatory clearances, such as environmental permits, which are essential for executing projects and fulfilling contractual obligations. Many of these approvals are granted for a fixed period, necessitating timely renewal to avoid operational disruptions. While we generally apply for renewals well in advance of expiration dates, any delay or failure in securing or maintaining these approvals—whether domestic or international—could lead to interruptions in our operations, additional expenses, and potential legal implications. Operating across borders also means that we are subject to varying, and sometimes complex, regulatory environments. This compliance often involves fulfilling stringent conditions, which may require substantial expenditure. Any lapse in maintaining these standards could not only halt operations but also adversely affect our financial stability, business continuity, and growth trajectory.

20. Our industry is labour intensive, and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our industry being labour intensive, is dependent on labour force for carrying out its project execution. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past. While we aim for uninterrupted operations, we acknowledge that unforeseen challenges may arise in the future, we are well-prepared to effectively manage any challenges that may arise. Our proactive approach positions us to address disruptions promptly, minimizing their impact on our business and results of operations. This resilience ensures that, even in the face of potential challenges, we are equipped to handle them efficiently, thereby mitigating the risk of increased costs. India has stringent labour legislation that protects the interests of workers, that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

In the event of any potential future contingencies, our company has established a structured arrangement to access labor from the local market and various other locations on a contractual basis. The diversification of the labor market provides us with the convenience of resolving potential issues that might arise. However, due to the location advantage and diversification of projects in multi-location, our team has been able to preplan the resource requirement and their deployment at respective Project sites and hence our Company has not experienced any labour shortage in past.

21. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.

Our Company in the past have made delay in filings of some RoC forms as per the stipulated timelines prescribed under the Companies Act, 1956/2013. Our Company has paid requisite late fees for such filings, and no-show cause notice in respect of the same has been received by our Company till date. The details of ROC Late Filings are as follows:

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
Form 20B	Annual return for the Financial Year ended 31st March, 2006.	Within 60 days from 30th September, 2006	31-12-2006	28-11-2006	33
Form 2	Return of Allotment	Within 30 days from 29th September, 2010	24-12-2010	29-10-2010	86

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2006.	Within 30 days from 30th September, 2006	02-01-2007	29-10-2006	65
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2007.	Within 30 days from 29th September, 2007	26-12-2008	28-10-2007	425
Form 20B	Annual return for the Financial Year ended 31st March, 2007.	Within 60 days from 29th September, 2007	26-12-2008	27-10-2007	426
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2008.	Within 30 days from 30th September, 2008	07-01-2009	29-10-2008	70
Form 20B	Annual return for the Financial Year ended 31st March, 2008.	Within 60 days from 30th September, 2008	07-01-2009	28-11-2008	40
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2010.	Within 30 days from 30th September, 2010	30-10-2010	29-10-2010	1
Form 20B	Annual return for the Financial Year ended 31st March, 2010.	Within 60 days from 30th September, 2010	24-12-2010	28-11-2010	26
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2012.	Within 30 days from 29th September, 2012	24-11-2012	28-10-2012	27
Form 66	Filing of Compliance Certificate for the Financial Year ended 31st March, 2012.	Within 30 days from 29th September, 2012	24-11-2012	28-10-2012	27
Form 20B	Annual return for the Financial Year ended 31st March, 2012.	Within 60 days from 29th September, 2012	28-11-2012	27-10-2012	32
Form 23AC and Form 23ACA	Filing of Annual Accounts for the financial year ended 31st March, 2013.	Within 30 days from 30th September, 2013	30-10-2013	29-10-2013	1
Form 66	Filing of Compliance Certificate for the Financial Year ended 31st March, 2013	Within 30 days from 30th September, 2013	30-10-2013	29-10-2013	1
Form 20B	Annual return for the Financial Year ended 31st March, 2014.	Within 60 days from 30th September, 2014	25-04-2015	28-11-2014	148
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2015.	Within 30 days from 30th September, 2015	21-02-2017	29-10-2015	481
MGT-7	Annual return for the Financial Year ended 31st March, 2015.	Within 60 days from 30th	21-02-2017	28-11-2015	451

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
		September, 2015			
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2016.	Within 30 days from 29th September, 2016	14-03-2017	28-10-2016	137
MGT-7	Annual return for the Financial Year ended 31st March, 2016.	Within 60 days from 29th September, 2016	14-03-2017	27-11-2016	107
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2017.	Within 30 days from 30th September, 2017	20-04-2018	29-10-2017	173
MGT-7	Annual return for the Financial Year ended 31st March, 2017.	Within 60 days from 30th September, 2017	06-04-2018	28-11-2017	129
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2018	Within 30 days from 29th September, 2018	07-01-2019	28-10-2018	71
MGT-7	Annual return for the Financial Year ended 31st March, 2018	Within 60 days from 29th September, 2018	07-01-2019	27-11-2018	41
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2019.	Within 30 days from 30th September, 2019	16-03-2020	29-10-2019	139
MGT-7	Annual return for the Financial Year ended 31st March, 2019.	Within 60 days from 30th September, 2019	16-03-2020	28-11-2019	109
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2020	Within 30 days from 31st December, 2020	15-02-2021	29-01-2021	17
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2021	Within 30 days from 30th November, 2021	24-03-2022	29-12-2021	85
MGT-7	Annual return for the Financial Year ended 31st March, 2021.	Within 60 days from 30th November, 2021	26-04-2022	28-01-2022	88
AOC-4	Filing of Financial Statements for the financial year ended 31st March, 2022.	Within 30 days from 30th September, 2022	01-12-2022	29-10-2022	33
MGT-7	Annual return for the Financial Year ended 31st March, 2022.	Within 60 days from 30th September, 2022	05-12-2022	28-11-2022	7
AOC-4 XBRL	Filing XBRL document in respect of financial statement and other documents with the Registrar for	Within 30 days from 30th September, 2023	23-01-2024	29-10-2023	86

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
	the Financial Year Ended 31st March, 2023.				
MGT-7	Annual Return for the Financial Year Ended 31st March, 2023.	Within 60 days from 30th September, 2023	25-01-2024	28-11-2023	58
Form 5	Increase in Authorised share capital of the Company from Rs. 1 Lakh to Rs. 50 Lakhs	Within 30 days from 20th March, 2010	19-04-2010	18-04-2010	1
PAS 3	Allotment of 1,50,000 equity shares of Rs. 10/- each to the existing equity shareholders of the Company.	Within 30 days from 27th September, 2010	24-12-2010	26-10-2010	59
DIR 12	a) Appointment of Mr. Akshaykumar Kochu Shetty as Director of the Company. b) Appointment of Mr. Pranav Narasimha Rao as Director of the Company.	Within 30 days from 30th September, 2014	24-04-2015	29-10-2014	177
DIR 12	Resignation of Mr. Pranav Narasimha Rao as Director of the Company.	Within 30 days from 31st July, 2016	24-02-2017	29-08-2016	179
DIR 12	a) Appointment of Mr. Krishna Laxman as Director of the Company. b) Appointment of Ms. Sapna Raghavendra as Director of the Company.	Within 30 days from 31st December, 2020	15-02-2021	29-01-2021	17
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2006-07	Within 30 days from 25th June, 2007	23-12-2008	24-07-2007	518
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2008-09	Within 30 days from 4th October, 2008	05-08-2012	02-11-2008	1372
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2009-10	Within 30 days from 2nd September, 2009	13-08-2010	01-10-2009	316
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2010-11	Within 30 days from 5th October, 2010	25-07-2012	03-11-2010	630
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2011-12	Within 30 days from 8th October, 2011	05-08-2012	06-11-2011	273
Form 23B	Form 23B -Filing of Information by auditor to registrar pertaining to acceptance of appointment as Statutory Auditors of the Company for the Financial Year 2012-13	Within 30 days from 5th October, 2012	15-12-2012	03-11-2012	42

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
ADT 1	Form ADT -1 - Reappointment of P M Ananda & Co as Statutory Auditors of the Company for the period of 5 years subject to ratification of members at every Annual General Meeting	Within 15 days from 30th September, 2014	24-04-2015	14-10-2014	192
ADT 1	Form ADT -1 - Appointment of M/s Rao Associates as Statutory Auditors to fill casual vacancy and to hold office until the conclusion of ensuing annual general meeting	Within 15 days from 25th July, 2018	31-12-2018	08-08-2018	145
ADT 1	Form ADT -3 - Resignation of P M Ananda & Co as Statutory Auditors of the Company	Within 30 days from 16th July, 2018	23-10-2018	14-08-2018	70
ADT 1	Form ADT -1- Appointment of M/s Rao Associates as Statutory Auditors for the period of 5 years up to conclusion of Annual General Meeting to held in the year 2023.	Within 15 days from 29th September, 2018	07-01-2019	13-10-2018	86
ADT 1	Form ADT -1 -Re-appointment of M/s Rao Associates as Statutory Auditors for the period of 5 years up to conclusion of Annual General Meeting to held in the year 2028.	Within 15 days from 30th September, 2023	01-01-2024	15-10-2023	78
Form 23	Alteration of Article 4 on increase in Authorised capital from Rs. 1,00,000/- to Rs 50,00,000/-.	Within 30 days from 20th March, 2010	28-07-2010	18-04-2010	101
Form 8	Availing cash credit facilities amounting to Rs. 1,75,00,000/- from Canara Bank and thereby creating charge on all Present & Future Machinery Spare parts, Oils, Work Blades etc., are stored at Company Premises & Book Debts Receivables etc., belonging to the company.	Within 30 days from 20th January, 2011	15-03-2011	18-02-2011	25
Form-8	Modification of Charge by enhancement of Charge amount from Rs.175 lakhs to Rs.275 lakhs (Rupees two crores seventy-five lakhs only) with all other terms and conditions remaining unchanged. (Charge ID- 10271019)	Within 30 days from 6th August, 2011	19-09-2011	04-09-2011	15
Form-8	Modification of Charge by enhancement of Charge amount from Rs.275 lakhs to Rs.425 lakhs (Rupees Four Hundred Twenty-Five Lakhs only) with all other terms and conditions remaining unchanged. (Charge ID-10271019)	Within 30 days from 31st March, 2012	03-06-2012	29-04-2012	35
MGT-14	To take note of the Disclosure of interest from the Directors.	Within 30 days from 3rd May, 2014	02-07-2014	01-06-2014	31
CHG-1	Modification of Charge by enhancement of Charge amount	Within 30 days from 30th	02-11-2014	29-10-2014	4

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
	from Rs.550 lakhs to Rs.800 lakhs (Rupees Eight Crore only). The modified amount of Rs.800 lakhs is secured by charge on stocks, book debts (both present and future) and movables such as computer, equipment, furniture, office equipment and projector with all terms, conditions and securities remaining same. (Charge ID- 10271019)	September, 2014			
MGT-14	a) Approval of Annual Accounts for the year ended 31st March, 2014. b) Approval of draft Directors' Report for the year ended 31st March, 2014.	Within 30 days from 2nd September, 2014	24-04-2015	01-10-2014	205
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.800 lakhs to Rs.1000 lakhs (Rupees Ten Crore only) with all terms, conditions and securities remaining same. (Charge ID- 10271019)	Within 30 days from 3rd October, 2015	02-11-2015	01-11-2015	1
INC-22	Shifting of Registered office of the Company from Classic Copper Arch, # 75, Pandurang Nagar, 60 feet road, Bannerghatta Rd, Opp.HSBC Bangalore, Karnataka-560076 to # 513 2nd Floor, 5th Main, Vijaya Bank Layout, Bangalore, Karnataka- 560076	Within 30 days from 1st June, 2018	25-09-2018	30-06-2018	87
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.10 Crores to Rs.12 Crores (Rupees Twelve Crore only). All other existing securities, terms and conditions remain unchanged. (Charge ID- 10271019)	Within 30 days from 30th May, 2019	11-07-2019	28-06-2019	13
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.1939.50 lakhs to Rs.2039.50 lakhs (Rupees Twenty Crore Thirty-Nine Lacs Fifty Thousand only). All other existing terms conditions and securities remain unchanged and this is in continuation of earlier modifications. (Charge ID- 10271019)	Within 30 days from 12th October, 2021	01-02-2022	11-11-2021	82
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.2039.50 lakhs to Rs.2121.50 lakhs (Rupees Twenty One Crore Twenty One Lacs Fifty Thousand only). All other existing terms conditions and securities remain unchanged	Within 30 days from 30th October, 2021	02-02-2022	28-11-2021	66

Forms	Purpose	Date of Event	Date of filing	Due dates	Nos. of Days delayed
	and this is in continuation of earlier modifications. (Charge ID- 10271019)				
CHG-1	Hypothecation of New Four-Wheeler Tata Nexon P XZA DT P Petrol.	Within 30 days from 10th February, 2023	31-03-2023	11-03-2023	20
DPT 3	Return of Deposits	On or before 30th June, 2023	02-08-2023	29-06-2023	34
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.2121.50 lakhs to Rs.2451.50 lakhs. (All other existing terms conditions and securities remain unchanged and this is in continuation of earlier modifications). (Charge ID-10271019)	Within 30 days from 28th August, 2023	26-10-2024	26-09-2023	396
CHG-1	Modification of Charge by enhancement of Charge amount from Rs.2451.50 lakhs to Rs.3351.50 lakhs. (All other existing terms conditions and securities remain unchanged and this is in continuation of earlier modifications). (Charge ID-10271019)	Within 30 days from 6th December, 2023	31-01-2024	04-01-2023	392
INC27	Conversion of the Company from Private Limited into Public Limited Company and Consequent Amendment to the Memorandum of Association	Within 15 days from 13th March, 2024	13-05-2024	28-03-2024	46
MR 1	Appointment of Mr. Prabhav Narasimha Rao (DIN: 02277473) as Managing Director of the Company.	Within 60 days from 30th March, 2024	01-06-2024	29-05-2024	3
MR 1	Appointment of Mrs. Priyashaila Prabhav Rao (DIN: 02122050) as Whole-Time Director of the Company	Within 60 days from 30th March, 2024	01-06-2024	29-05-2024	3
MR 1	Appointment of Ms. Sapna Raghavendra (DIN: 08914356) as Whole-Time Director (Designated as Director of Finance) of the Company.	Within 60 days from 30th March, 2024	01-06-2024	29-05-2024	3
MGT 14	Appointment of Mr. Kommanahalli Giridhar (DIN: 10563746) as the Chairman of the Board of Director with effect from 10th June, 2024, for a period of one year.	Within 30 days from 07th June, 2024	08-07-2024	07-07-2024	1

It is pertinent to note here that all the forms are approved by ROC. Further, if any such action is initiated by the regulatory authority, then the Company will have to abide by the order of such regulatory authority or pay any penalty that may be imposed by any regulatory authorities in future for non-compliance with provisions of corporate and other law which could impact the financial position of the Company to that extent. To streamline our compliance processes and prevent delays, our company has taken several corrective measures i.e. enhancement of internal monitoring systems, dedicated compliance personnel and engagement of compliance professionals.

22. There have been some instances of delayed filing of returns and depositing of statutory dues with regulatory authorities.

In the past, our company has at several instances, delayed in filing GST returns, EPF returns, ESIC returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are not significant but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and our directors, in which event the financials of our Company and our directors may be affected. For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see ***"Outstanding Litigation and Material Developments"*** beginning on page 273 of this Draft Red Herring Prospectus.

23. We have substantial working capital requirements. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding in a timely manner to meet our requirements of working capital or payment of our debts, could adversely affect our operations.

Our company operates in an EPCC (Engineering, Procurement, Construction, and Commissioning) environment, which is highly capital-intensive. These projects often require substantial working capital for smooth operations, including procuring materials, engaging contractors, paying staff, and covering overhead costs across project phases. The cyclical and intensive cash flow demands of EPCC projects mean we must secure and maintain reliable credit facilities and other funding sources to meet our immediate and ongoing working capital requirements. Any disruption in our cash flow, whether due to delayed payments from clients, unexpected project expenses, or limited access to credit, can strain our liquidity. If we are unable to secure or renew the necessary credit lines and funding on favorable terms and within the required timeframe, we may face challenges in meeting our obligations and sustaining project momentum. Such constraints can disrupt our operations and jeopardize our ability to deliver on our commitments.

Moreover, our inability to meet these funding needs in a timely manner could impact our ability to pay suppliers, contractors, and employees, leading to delays in project schedules and possibly even contract penalties. With tight schedules and high expectations from our clients, any interruptions in the project flow could have cascading effects on our financial performance, resulting in increased borrowing costs and reduced profitability. The inability to meet working capital needs might also limit our capacity to bid for new projects, as a stable financial footing is often a prerequisite for qualifying in competitive bidding processes. In turn, this could affect our revenue growth and market positioning over time. To mitigate these risks, it is essential for us to maintain diverse funding channels and proactively manage cash flow to avoid disruptions that could otherwise adversely impact our operations, profitability, and reputation within the industry.

24. Our company's clientele comes from various Industrial Segments, such as, Power and Telecommunication, Oil and Gas, Food processing, Pharma, Metals, Minerals, Railways, Refineries, Mining etc. and therefore any downturn in these industries may adversely affect the revenue and operating profit of our company.

Our company serves a diverse range of industrial sectors, including Power and Telecommunication, Oil and Gas, Food Processing, Pharmaceuticals, Metals, Minerals, Railways, Refineries, and Mining, among others. While this diversity provides us with a broad customer base, it also exposes us to the risks associated with downturns in any of these industries. Economic slowdowns, regulatory changes, fluctuating commodity prices, or geopolitical factors that impact these sectors can have a ripple effect on our operations. A downturn in any of these key industries could result in delayed or reduced project orders, cancellations, or a slowdown in capital expenditure, which would directly affect our revenue streams and overall financial performance. Additionally, certain industries like Oil and Gas or Power might be particularly sensitive to shifts in global demand, environmental regulations, or technological advancements, which could reduce the volume or profitability of our contracts.

Moreover, the cyclical nature of many of the industries we serve means that our revenue and operating profits may be subject to significant fluctuations. For example, a decline in demand for commodities in the Metals and Mining sectors or a slowdown in infrastructure development within Railways or Refineries could result in reduced business opportunities for our company. Similarly, industry-specific factors such as tightening regulations in the Food Processing or Pharmaceuticals sectors could lead to additional compliance costs or delays in projects. As a result, any adverse conditions in the industries we cater to can create operational challenges, affecting both top-line growth and profitability. The ability of our company to effectively mitigate the impact of sectoral downturns by diversifying projects and managing risks across multiple industries is critical to maintaining stable and sustainable financial performance.

25. We are dependent on Promoters, directors and key managerial personnel of our Company for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our promoters, directors and key managerial personnel, collectively have good experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our businesses and our future prospects with our promoters having vast experience in this field. For further details of our Directors and Key Managerial Personnel, please refer to Section ***"Our Management"*** on page 173 of this Draft Red Herring Prospectus. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our company. Efficient retention and management of our human resources are critical for the successful expansion of our business. We are actively focused on ensuring a supportive and conducive work environment. The continued dedication, skills, and expertise of our team members play a pivotal role in our future performance. Additionally, our commitment to attracting and retaining qualified senior and mid-level managers strengthens our foundation for sustained growth and success in the long term.

26. Disruptions or failures in our information technology systems may affect our operations. Further, Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although, we believe that we have implemented enhanced technological infrastructure and given the chances of a technological innovation are not very high in our sector, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the industrial equipment manufacturing business, we may require to implement new technology or upgrade the machineries and other equipment employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant, which could substantially affect our finances and operations. For further details, kindly refer section titled ***"Our Business"*** beginning on page 130 of this Draft Red Herring Prospectus.

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

Under the terms of our work orders with clients, we typically agree to a fixed sum for the completion of projects, subject to variations arising from changes in the client's project requirements. However, the actual costs of executing a project may differ significantly from the initial assumptions and estimates in our bid. These variations can be driven by a range of factors, including unanticipated increases in the cost of construction materials, fuel, labor, and other essential inputs. Additionally, unforeseen construction challenges—such as environmental and regulatory delays or difficulties in obtaining necessary approvals—can lead to increased project costs and extended timelines. Adverse weather conditions and supplier failures to meet performance standards further exacerbate the risk of delays and cost overruns.

Our ability to pass on increases in raw material costs or project execution expenses may be restricted, particularly for contracts that do not include price escalation clauses. As a result, any significant cost variations may not be recoverable, potentially leading to financial losses. Furthermore, risks inherent in the development and construction industry—such as unforeseen site conditions, regulatory delays, or project mismanagement—can result in profit margins being lower than initially projected, or even cause losses due to time and cost overruns. Such issues can have a material adverse effect on our cash flows, business operations, financial condition, and overall results. The unpredictable nature of these risks underscores the importance of effective project management and financial planning to mitigate potential impacts.

28. Our insurance coverage may not be adequate to protect us against certain losses and this may have a material adverse effect on our business.

Insurance coverage plays a crucial role in mitigating various risks that our company faces, particularly those associated with essential assets and operations, including vehicles, buildings, and employee-related liabilities. We maintain these insurance policies to safeguard our assets and protect our business operations from potential losses or liabilities. To ensure sufficient protection, our insurance policies are periodically reviewed and renewed, with the objective of maintaining adequate coverage in line with our risk profile. Despite our commitment to securing comprehensive insurance coverage, it's important to recognize that no insurance policy can completely eliminate risk. Certain contingencies, including natural disasters, unforeseen operational disruptions, or other extraordinary events, may fall outside the scope of these policies or exceed the coverage limits. This leaves an element of financial exposure that cannot be fully mitigated through insurance alone.

In the event that our company faces a significant uninsured loss, whether due to exclusions in the policy or losses surpassing the coverage limits, the financial impact could be substantial. Additionally, there is always a possibility that a claim may be denied or delayed by the insurer, which would hinder our ability to recover from the incident promptly. Such scenarios could adversely affect our liquidity and financial stability, potentially disrupting business operations, impairing asset values, or diminishing investor confidence. In the absence of sufficient coverage, or if losses exceed our insurance claims, our financial health and operational continuity could be seriously compromised, underscoring the inherent limitations and uncertainties associated with relying on insurance as a risk management strategy.

For further details in relation to our Insurance, please refer to the section titled – Insurance in the chapter titled ***"Our Business"*** beginning on page 130 of this Draft Red Herring Prospectus.

29. We are required to furnish financial and performance bank guarantees and letter of credits as part of our business. Our inability to arrange such guarantees and/or letters of credit may adversely affect our cash flows and financial condition.

We are typically required to provide financial and performance bank guarantees in favour of our clients, for the projects undertaken by us, to secure our financial/performance obligations under the respective contracts. As on September 30, 2024, we had issued bank guarantees (including letter of credit) amounting to ₹ 234.80 lakhs, towards securing our financial / performance obligations under our ongoing projects. In past, our Company has been able to furnish bank guarantees and letter of credit as and when the need has arisen. However, we may be unable to obtain financial and performance bank guarantees and letter of credit required to commensurate with our business operations in future. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit to financial institutions, our ability to bid for new projects, execute existing projects or obtain adequate materials could be limited and it could have a material adverse effect on our business, results of operations and our financial condition. For further details, see "***Annexure V-26- Contingent Liabilities -Restated Financial Statement***" on page 239 of Draft Red Herring Prospectus.

30. Our ability to protect or use intellectual property right may adversely affect our business.

Presently, our Company is using logo " leapfrog Engineering Services " and wordmark "Leapfrog" and our company has applied for registration of trademark vide application number 6806749 and 6123648 respectively for the registration of the same under the Trade Marks Act, 1999. Application number 6806749 is 'Formalities Chk Pass', Application number 6123648 is 'Objected' as on date of Draft Red Herring Prospectus. Therefore, as on date we do not enjoy the statutory provisions that are accorded to a registered trademark. Further, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application made for registration of our trademark will be allowed. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted. For more information about the licenses and registrations obtained and pending applications, see the section titled ***"Government and Other Approvals"*** beginning on Page 282 of this Draft Red Herring Prospectus.

31. Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoter, Promoter Group, Directors and Group Companies. For further details in relation to our related party transactions, see ***"Financial Statements as Restated - Related Party Transaction"*** beginning on page 243 of the Draft Red Herring Prospectus. While we have entered into such transactions on an arm's length basis and are in compliance with the applicable provisions of Companies Act, 2013 and other applicable law, there is no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, will not have an adverse effect on our business, prospects, results of operations and financial condition. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

32. **We cannot assure that the construction of our projects will be free from any or all defects, which may adversely affect our business, financial condition, results of operations and prospects.**

    In the course of our operations, we may encounter construction faults on account of factors including design related deficiencies arising in our projects. Such construction related faults typically result in revision / modification to our design and engineering, thereby resulting in increased interest cost due to delay, increase in estimated cost of operations on account of additional work executed towards rehabilitation and further expenditure incurred towards appointment of external consultants for assistance in revising our design. We may further face delays in the estimated project completion schedule in respect of such projects on account of additional works required to be undertaken towards rectifying such construction faults and are dependent upon our clients' permitting extension of time of completion of such projects.

    We cannot assure that the construction of our projects will be free from any and all defects. If the work undertaken by us is not to the satisfaction of the client, it has to be done again as per the instructions of person in charge at the site without any extra cost. Further, there can be no assurance that any cost escalation or additional liabilities would be fully offset by amounts due to us pursuant to the guarantees and indemnities, if any, provided by our contractors or insurance policies that we maintain. Further, we also cannot assure you as to whether our clients will permit such revised completion schedule to be implemented to the extent necessary or at all and we may be held in breach of the terms and conditions of the contracts in respect of such projects pertaining to completion schedule.

    In the event of discovery of defects / faults in the work undertaken by us, or any damages to our construction work due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations. Further, such construction faults may result in loss of goodwill and reputation and may furthermore have a material and adverse impact our eligibility in respect of future bids made by us towards projects, thereby affecting our future operations and revenues.

33. **Compliance with, and changes in, environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures may adversely affect our cash flows, business results of operations and financial condition.**

    Our project operations are subject to environmental, health and safety and other regulatory and/ or statutory requirements in the jurisdictions in which we operate. Our project operations may generate pollutants and waste, some of which may be hazardous. We are accordingly subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. We may incur substantial costs in complying with environmental laws and regulations. We cannot assure you that compliance with such laws and regulations will not result in delays in completion, a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations. Further, construction activities in India are also subject to various health and safety laws and regulations as well as laws and regulations governing their relationship with their respective employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labour and work permits. Accidents, in particular fatalities, may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

    Non-compliance with these laws and regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management.

    As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs.

34. **We may need to raise additional capital in the future for working capital and we may not be able to do so on favourable terms or at all, which would impair our ability to operate our business or achieve our growth objectives, which may have an adverse effect on our results of operations and business.**

Our business operations demand substantial working capital to support the execution of multiple projects, especially since significant expenditures must often be made upfront, long before we receive payments from clients. To meet these needs, we rely on raising funds from various sources to ensure that we have adequate resources for the successful implementation and timely completion of projects. However, any delays in the completion of ongoing projects could lead to increased working capital requirements, largely due to higher financing costs and fluctuations in key inputs, such as rising natural gas prices. Such delays can put us at risk of exceeding our initial project budgets, further straining our capital reserves.

Moreover, the nature of our industry makes it challenging to forecast the success of contract bids or predict when a particular contract might be awarded. This uncertainty extends to the timeline within which we must mobilize resources once a contract is awarded, often requiring us to secure additional working capital quickly to begin project execution. As the scale and number of projects awarded to us grow, our working capital needs may increase proportionally, placing additional demands on our financial flexibility. In some instances, payment terms specified in certain contracts may further elevate our working capital requirements. For example, if contracts offer reduced advance payments or backloaded payment schedules (where payments are concentrated at the end of the project), we may face cash flow constraints, requiring us to secure additional financing. Such fluctuations in our working capital requirements may impact our liquidity, increase our reliance on external funding sources, and affect our ability to manage project costs effectively.

35. **We may not be able to collect receivables due from our clients, in a timely manner, or at all, which may adversely affect our business, financial condition, results of operations and cash flows.**

There may be delays in the collection of receivables, such as grant and annuity, from our clients. As of September 30, 2024, ₹ 2,079.91 lakhs, of our total trade receivables, had been outstanding and considered good. However, we cannot assure you that we will be able to collect our receivables in time or at all which may have an adverse effect on our cash flows, business, results of operations and financial condition. For further details, see ***"Restated Financial Information*"** on page 202 of this Draft Red Herring Prospectus.

In addition, we may, at times, be required to claim additional payments from our clients for additional work and costs incurred in excess of the contract price or amounts not included in the contract price. However, our clients may interpret such additional work and costs restrictively and dispute our claims, resulting in lengthy arbitration, litigation or other dispute resolution proceedings, which we cannot assure that we can recover adequately. Further, we may incur substantial costs in collecting against our debtors and such costs may not be recovered in full or at all from the debtors. We require significant working capital requirements in our business operations and such delayed collection of receivables or inadequate recovery on our claims could materially and adversely affect our business, cash flows, financial condition and results of operations.

36. **Our operations are subject to risks of mishaps or accidents that could cause damage or loss to life and property and could also result in loss or slowdown in our business.**

Our business operations are subject to operating risks, including fatal accidents, mishaps failure of equipment, power supply, labour disputes, natural disasters or other force majeure conditions which are beyond our control. The occurrence of any of these factors could significantly affect our results of operations and financial condition. Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our operation sites, there can be no assurance that we will not face such disruptions in the future.

During the construction and maintenance period, we may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect our Order Book, availability of insurance coverage in the future and our results of operations.

37. **We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.**

We engage independent contractors through whom we engage contract labourers for performance of certain functions at our operations. Although we do not engage these labourers directly, we are responsible for any wage and statutory payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial conditions. In addition, we may be liable for or exposed to litigations, sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

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

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

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. 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.

40. **Our management will have broad discretion in how we apply the Net Proceeds of the Issue and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in an increase in the value of your investment.**

We intend to use the Net Proceeds for the purposes described under the ***"Objects of the Issue"*** on page 86 of the Draft Red Herring Prospectus. The Objects of the Issue comprise (a) Funding Capital Expenditure for setting up new project, (b) funding incremental working capital requirements of our Company, (c) for issue related expenses, and (d) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further, our Objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in the rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Issue would require a special resolution of the shareholders, and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, in accordance with applicable law.

In case of an increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Issue is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required. If the estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

41. The Company may face risks associated with business transactions with Government Entities.

We are supplying our products to diversified industries along with PSUs. The company may be exposed to risks associated with its business transactions with government entities. Transactions with government-owned or controlled entities and agencies may expose us to additional regulatory or other scrutiny. Contracts with government agencies are subject to uncertainties (including those associated with funding), procedural requirements, restrictions, and regulations including oversight audits by various government authorities and profit and cost controls. The loss of government contracts could have a material adverse impact on our business, financial condition, and results of operations. There may also be delays associated with the collection of receivables from government-owned or controlled entities, which could affect our liquidity and results of operations. Additionally, government contracts contain terms that expose the company to heightened levels of risk and potential liability than non-government contracts. We are subject to government audits, investigations, and proceedings, and violations of rules or regulations, failure to comply with contractual or other requirements, or failure to satisfy an audit could result in penalties including monetary damages and criminal and civil penalties. In addition, our government contracts could be terminated, we could be suspended or debarred from government contract work, or payment of our costs could be disallowed, which could harm our reputation and materially adversely affect our business, financial condition, and results of operations.

42. In addition to our existing indebtedness for our operations, we may be required to obtain further loan during the course of business. There can be no assurance that we would be able to service our existing and/or additional indebtedness.

In addition to our existing indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, please refer to the chapter titled ***"Financial Indebtedness"*** on page 252 of this Draft Red Herring Prospectus.

43. Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company's business, credit ratings, prospects, results of operations and financial condition.

Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to maintain certain financial covenants. Even though in the past, our company has not faced any instances that adversely affected the Company's business, credit ratings, prospects, results of operations and financial condition, due to restrictive covenants of the debt financing agreements, there can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, prospects, results of operations and financial condition may be adversely affected.

44. The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial conditions may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled ***"Financial Statements as Restated"*** beginning on Page 202 of this Draft Red Herring Prospectus.

45. Our lenders have charge over our movable properties, book debts, stocks in respect of finance availed by us.

We have secured our lenders by creating a charge over our movable properties, book debts, stocks in respect of loans / facilities availed by us from banks. The total amounts outstanding and payable by us as secured loans (fund based and non-fund based) were ₹ 2,270.48 Lakhs as on September 30, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the ***"Financial Indebtedness"*** please refer to page 252 of this Draft Red Herring Prospectus.

46. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●]% of the Issue Proceed.

As on date, we have not identified the use of such funds. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes of ₹ [●] lakhs which constitute [●]% of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time. For details, please refer the chapter titled ***"Objects of the Issue"*** beginning on Page No. 86 of this Draft Red Herring Prospectus.

47. Certain key performance indicators for certain listed industry peers included in this Draft Red Herring Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.

Pursuant to the requirements of the SEBI ICDR Regulations dated November 21, 2022, we have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the ***"Basis for Issue Price"*** beginning on page 97 of the Draft Red Herring Prospectus. While our business comprises of the EPCC projects, these listed industry peers are related to associate industry. Although this information is sourced from and relied upon on the standalone/consolidated audited financial statements of the relevant listed industry peers for Fiscals 2024 as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years ended March 31, 2024 submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete or adequate. There are different methodologies and formulas used to compute the various ratios.

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

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by working capital debt facilities and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions from time to time, there can be no assurance that these agreements will protect us adequately against interest rate risks.

49. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market in which our company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

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 will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

51. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. 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. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

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

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be 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 Red Herring Prospectus.

53. An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

54. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.

Our revenue from international operations during the six months period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 as a percentage of total revenue from operation was 47.34%, 88.94%, 83.75% and 58.46% respectively. Our exports may adversely affect our profitability in case the trade relations of India with any of these countries get strained in the future or these countries face any sort of problems due to internal issues of their countries. Also, the exchange rate between the Indian Rupee and currencies of the export countries as well as import countries may fluctuate and adversely affect our results of operations. The exchange rate between the Indian Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Volatility in the exchange rate and/or sustained appreciation of the Indian Rupee will negatively impact our revenue and operating results. We presently do not enter into hedging contracts for hedging our foreign exchange risks.

55. Some of the KMPs is associated with our company for less than one year.

Our Company Secretary is associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus.

B. *Issue Related Risks*

56. Upon completion of the Issue, our Promoters may continue to retain significant control, which will allow them to influence the outcome of matters submitted to the shareholders for approval.

After completion of the Issue, our Promoters will collectively own [●]% of the total post issue Equity Shares. As a result, our Promoter will be able to exercise a significant degree of influence over us 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 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring any strategic decision favourable to the Company or effecting a change in control of our Company for the betterment of the stakeholders.

In addition, our Promoter 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 minority 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.

57. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter ***"Objects of the Issue"*** on page 86 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

58. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholders, shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.

In addition to the Fresh Issue component from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholder. The Selling Shareholder will receive the entire proceeds from the Offer for Sale (after deducting the applicable Offer Expenses) and our Company will not receive any part of such proceeds from the Offer for Sale. The proceeds from the transfer of the Offered Shares, shall be paid to the Selling Shareholder. Certain members of our Promoter Group are, therefore, interested in the Offer in connection with their respective portion of the Offered Shares. For more information, see ***"Objects of the Issue"*** on page 86 of this Draft Red Herring Prospectus.

59. There is no guarantee that our Equity Shares will be listed on the SME Platform of BSE Limited in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the SME Platform of BSE Limited within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

We have no experience as a public listed company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public listed company. As a public listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange which require us to file unaudited financial results on a half-yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, our management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. 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.

61. Some of the approvals are required to be updated consequent to the change in the name of our Company.

The name of our Company has been changed from "Leapfrog Engineering Services Private Limited" to "Leapfrog Engineering Services Limited" upon conversion of our Company into public limited vide special resolution passed by our Shareholders at their EGM held on June 21, 2024. Due to such change, our Company is required to change its name in all approvals, licenses, registrations and permits in the name of "Leapfrog Engineering Services Limited". While we have updated our name in some of the registrations, permits or approvals, we are still required to update our name in some of the remaining registrations, permits or approvals.

62. The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue price is based on numerous factors and may not be indicative of the market price for 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. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income 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.

63. After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby was determined through our negotiations with the BRLM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers, or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime;
- volatility in the Indian and global securities markets;
- performance of our competitors and perception in the Indian market about investment in our industry; and
- adverse media reports, if any, on our Company, or the industry.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

64. The investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.

We have applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE Limited. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the SME Platform of BSE Limited. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

65. 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.

Once listed, we would be subject to circuit breakers imposed by stock exchange, 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 circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may 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.

66. Any future issuance of Equity Shares may dilute the investors' shareholdings or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares.

Any future equity issuances by us or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares and our Company's ability to raise capital through an issue of securities. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

67. Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future.

Our ability to pay dividends in the future will depend upon a variety of factors such as future earnings, financial condition, cash flows, working capital requirements, and restrictive covenants in our financing arrangements. Our Company has not paid any dividends till now and there can be no assurance that we will pay dividends in future. Our ability to pay dividends in the future will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover our operating expenses and pay dividends to our shareholders, or at all. Our ability to pay dividends could also be restricted under the existing or certain financing arrangements that we may enter into.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see ***"Dividend Policy"*** on page 201 of this Draft Red Herring Prospectus.

69. The investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Under the Companies Act, 2013, a Company incorporated in India must offer its holders of shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction the investors are in does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction they are in, they will not be able to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian would receive upon the sale of such securities if any, and the related transaction costs cannot be predicted. To the extent that the investors' are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in us would be reduced.

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

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

71. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

72. Foreign investors may be restricted in their ability to purchase or sell Equity Shares.

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of SEBI ICDR Regulations. If the transfer of shares is not in compliance with such pricing or reporting requirements and does not fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

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

The Companies Act and related regulations, the Articles of Association, and the Listing Agreements to be entered into with the Stock Exchange govern the corporate affairs of the Company. The Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

74. Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. The volatility of the Indian Rupee against the U.S. dollar and other currencies subjects' investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

EXTERNAL RISK FACTORS

75. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, lock down of cities and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The outbreak of COVID-19 in many countries, including India, the United Kingdom and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our clients, and those of our respective service providers. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

76. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the country in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to ***"Key Industry Regulations and Policies"*** on page 158 of this Draft Red Herring Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company will comply with relevant regulations as and when applicable. However, any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

78. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

79. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

80. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

81. We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

82. Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

83. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

84. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

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

SECTION IV: INTRODUCTION

THE ISSUE

The present Issue has been authorized pursuant to a resolution of our Board of Directors held on **December 16, 2024** and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the members held on **December 19, 2024.**

The following is the summary of the Issue:

PARTICULARS	DETAILS
Present Issue (1)	Up to **4,10,64,000** Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of **₹ [●]/-** (including a Share Premium of ₹ [●] per Equity Share) per Equity Share aggregating to **₹ [●]** Lakhs.
Consisting of:	
Fresh Issue	Up to **3,71,76,000** Equity Shares of ₹1/- each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating ₹ [●] lakhs.
Offer for Sale (2)	Offer for sale by existing shareholder up to **38,88,000** equity shares of ₹1/- each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs.
The Issue Consists of:	
Market Maker Reservation Portion	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of **₹ [●]** per Equity Share aggregating to **₹ [●]** Lakhs.
Net Issue to the Public (3)	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
Out of which:	
A. Allocation to Qualified Institutional Buyers	Not more than [●] Equity Shares of ₹ 1/- each at an Issue Price of ₹ [●] per Equity Share each aggregating to ₹ [●] Lakhs.
Out of which:	
i) Anchor Investor Portion	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
ii) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
Out of which:	
a) Available for allocation to Mutual Funds only (5% of the QIB Portion) (excluding Anchor Investor Portion)	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
b) Balance of QIB Portion for all QIBs including Mutual Funds.	Up to [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹ [●] Lakhs.
B. Allocation to Retail Individual Investors (4)	Not less than [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of **₹ [●]** per Equity Share aggregating to **₹ [●]** Lakhs.
C. Allocation to Non-Institutional Investors (5)	Not less than [●] Equity Shares of ₹1/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
Pre- and Post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	**10,71,84,000** Equity Shares having face value of ₹1/- each
Equity Shares outstanding after the Issue (4)	**Up to [●]** Equity Shares having face value of ₹1/- each
Objects of the Issue	Please refer to the section titled ***"Objects of the issue"*** beginning on page no. 86 of this Draft Red Herring Prospectus.

(1) *Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination.*

(2) *The Selling Shareholder have consented to participate in the Offer for Sale in the following manner:*

Name	Type	Authorization Letter date	No. of Equity Shares Held	No. of shares offered by OFS	% of pre-issue paid-up equity share capital
Prabhav Narasimha Rao	Promoter Director	December 13, 2024	4,76,28,000	38,88,000	3.63%

The Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholder has also confirmed that he is the legal and beneficial owners of the Equity Shares being offered by him under the Offer for Sale.

(3) *The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The present Issue is being made by our Company in terms of Regulation 229(2) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than twenty five percent (25%) of the post-Issue paid-up equity share capital of our Company are being offered to the public for subscription.*

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

a) Not less than Thirty five percent (35%) to retail individual investor;
b) Not less than Fifteen percent (15%) to non-institutional investor
c) Not more than fifty percent (50%) to qualified institutional buyers, five percent (5%) of which shall be allocated to mutual funds

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

Provided further that in addition to five percent allocation available in terms of clause c, mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

*Our Company and selling shareholder, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see **"Issue Procedure"** on page 312 of this Draft Red Herring Prospectus.*

In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

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

(5) *Assuming full allotment.*

SUMMARY OF FINANCIAL INFORMATION

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

	PARTICULARS	As at 30th September 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
	EQUITY AND LIABILITIES				
1)	**Shareholders' funds**				
a	Share capital	1,008.00	48.00	48.00	48.00
b	Reserves and surplus	1,598.48	2,123.03	483.76	455.46
2)	**Non-Current Liabilities**				
a	Long-term borrowings	83.14	59.36	101.58	162.56
b	Deferred tax liabilities	-	-	-	-
c	Long-term provisions	52.31	49.58	65.96	54.34
3)	**Current liabilities**				
a	Short-term borrowings	1,713.71	1,318.49	1,203.11	1,819.18
b	Trade payables				
	total outstanding dues of micro enterprises and small enterprises; and	76.25	93.80	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	1,033.21	778.70	376.25	514.86
c	Other current liabilities	156.98	100.59	4,337.71	50.58
d	Short-term provisions	674.92	539.18	29.01	68.96
	TOTAL	**6,397.00**	**5,110.73**	**6,645.38**	**3,173.94**
	ASSETS				
1)	**Non-current assets**				
a	Property, Plant and Equipment and Intangible Assets				
	Property, Plant and Equipment	101.07	112.70	59.06	33.78
	Intangible assets	15.16	18.58	18.05	2.82
	Capital work-in-progress	-	-	-	-
b	Non-Current Investments	-	-	12.00	12.00
c	Deferred tax assets (net)	28.47	25.11	13.76	23.55
d	Long-term Loans and Advances	-	-	-	-
e	Other non-current assets	334.37	224.29	340.76	261.87
2)	**Current assets**				
a	Inventories	897.62	860.27	361.68	439.04
b	Trade receivables	2,079.91	1,236.99	1,484.95	1,025.28
c	Cash and Bank Balances	714.13	730.23	887.24	532.77
d	Short-term loans and advances	1,029.25	829.54	2,919.64	615.88
e	Other current assets	1,197.02	1,073.02	548.24	226.95
	TOTAL	**6,397.00**	**5,110.73**	**6,645.38**	**3,173.94**

*For further details, kindly refer the chapter titled **"Financial Statements as Restated"** beginning on page 202 of this Draft Red Herring Prospectus.*

RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

	PARTICULARS	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue from Operations	3,131.22	15,785.42	10,417.86	4,159.14
II	Other Income	77.49	502.27	120.02	69.76
III	**Total Income (I + II)**	**3,208.71**	**16,287.69**	**10,537.88**	**4,228.90**
IV	**Expenses**				
	Cost of materials consumed	1,517.25	11,923.90	7,988.58	2,002.06
	Contract Execution Expenses	365.92	1,115.72	819.03	757.10
	Changes in Work in progress	115.36	(243.11)	56.24	497.30
	Employee benefits expense	338.10	458.98	403.63	252.70
	Finance costs	102.68	179.52	138.92	208.27
	Depreciation and amortisation expense	22.12	58.72	19.45	11.20
	Other expenses	182.25	494.86	1,049.87	403.24
	Total expenses	**2,643.68**	**13,988.59**	**10,475.72**	**4,131.87**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**	**565.03**	**2,299.10**	**62.16**	**97.03**
VI	Exceptional items	-	62.00	-	-
VII	**Profit before extraordinary items and tax (V - VI)**	**565.03**	**2,237.10**	**62.16**	**97.03**
VIII	Extraordinary items	-	-	-	-
IX	**Profit before tax (VII- VIII)**	**565.03**	**2,237.10**	**62.16**	**97.03**
X	**Tax expense:**				
	Current Tax	132.93	609.18	24.06	40.14
	Deferred Tax	(3.35)	(11.35)	9.80	(5.40)
XI	**Profit After Tax (IX-X)**	**435.45**	**1,639.27**	**28.30**	**62.29**
	Earnings per equity share:				

*For further details, kindly refer the chapter titled **"Financial Statements as Restated"** beginning on page 202 of this Draft Red Herring Prospectus.*

RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

PARTICULARS	For the Period from 01st April 2024 to 30th September 2024	For the Year Ended		
		31st March 2024	31st March 2023	31st March 2022
A) Cash Flow From Operating Activities :				
Net Profit before tax	565.03	2,237.10	62.16	97.03
Adjustment for :				
Depreciation and amortization	22.12	58.72	19.45	11.20
Interest Paid	102.68	179.52	138.92	208.27
Provision for Gratuity	-	-	-	-
Interest Income	(35.17)	(50.35)	(44.78)	(38.12)
Operating profit before working capital changes	**654.66**	**2,424.99**	**175.75**	**278.38**
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(842.92)	247.96	(459.67)	(44.92)
(Increase)/Decrease in Inventory	(37.35)	(498.59)	77.36	575.28
(Increase)/Decrease in Short Term Loans & Advances	(199.71)	2,090.10	(2,303.76)	(121.34)
(Increase)/Decrease in Other Current Assets	(124.00)	(524.79)	(321.29)	(91.34)
(Increase)/Decrease in Other Non Current Assets	(110.08)	116.47	(78.89)	(1.15)
Increase/(Decrease) in Trade Payables	236.96	496.25	(138.61)	(451.44)
Increase/(Decrease) in Provisions	11.04	(18.13)	(12.25)	41.12
Increase/(Decrease) in Other Current Liabilities	56.40	(4,237.12)	4,287.13	15.43
Cash generated from operations	**(355.00)**	**97.14**	**1,225.77**	**200.02**
Taxes Paid	(5.50)	(97.26)	(40.14)	(57.65)
Net cash flow from operating activities A	**(360.50)**	**(0.12)**	**1,185.63**	**142.37**
B) Cash Flow From Investing Activities :				
Net Sale /Purchase of Property, plant & equipment	(7.08)	(114.00)	(59.96)	(16.71)
Sale of Tangible Fixed Assets	-	0.31	-	-
Write off of investment	-	12.00	-	-
Loss on sale of fixed assets	-	0.81	-	-
Capital Work in Progress	-	-	-	-
Investment made/Sold during the year	-	-	-	-
Interest Income	35.17	50.35	44.77	38.12
Net cash flow from investing activities B	**28.09**	**(50.53)**	**(15.19)**	**21.41**
C) Cash Flow From Financing Activities :				
Additional Capital From Partners	-	-	-	-
Repayment of capital on conversion	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	395.21	115.38	(616.07)	79.94
Increase/(Decrease) in Long Term Borrowings	23.78	(42.22)	(60.98)	10.76
Interest Paid	(102.68)	(179.52)	(138.92)	(208.27)
Net cash flow from financing activities C	**316.31**	**(106.36)**	**(815.97)**	**(117.57)**
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	**(16.10)**	**(157.01)**	**354.47**	**46.21**
Cash and Bank Balances at the beginning of the year	730.23	887.24	532.77	486.56
Cash and Bank Balances at the end of the year	**714.13**	**730.23**	**887.24**	**532.77**

Notes:-

PARTICULARS	For the Period from 01st April 2024 to 30th September 2024	31st March 2024	31st March 2023	31st March 2022
Component of Cash and Cash equivalents				
Cash on hand	2.69	2.14	2.68	0.95
Balance With banks	-	-	260.35	14.20
Other Bank Balances				
Balances with banks to the extent held as margin money or security against the borrowings, guarantees	711.44	728.09	624.21	517.62

For further details, kindly refer the chapter titled ***"Financial Statements as Restated"*** *beginning on page 202 of this Draft Red Herring Prospectus.*

SECTION V: GENERAL INFORMATION

GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company in the name of "***Leapfrog Informatics Private Limited***" on May 09, 2005 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently the name of our company was changed to "***Leapfrog Engineering Services Private Limited***" vide a fresh Certificate of Incorporation consequent upon Change of Name dated January 23, 2009 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to "***Leapfrog Engineering Services Limited***" vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2024 bearing Corporate Identification Number U74210KA2005PLC036274 issued by Registrar of Companies – Central Processing Centre (CPC). For further details of change in name and registered office of our company, please refer to section titled "***Our History and Certain Corporate Matters***" beginning on page no 168 of the Draft Red Herring Prospectus.

Brief Company and Issue Information

Registered Office and Corporate Office	**Leapfrog Engineering Services Limited** No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076 **Contact Person:** Ms. Sneha Hegde **Contact No:** +91 78994 81340 **Email ID:** cs@lesgroup.in **Website:** www.lesgroup.in
Assembling Unit	11, 12 & 16, Yelenahalli, Begur Hobli, Koppa Road, Suraksha Nagar, Akshaya Nagar, Bengaluru-560076, Karnataka, India **Contact Person:** Mr. Bhaskar Shenoy **Contact No:** +91 98456 55444 **Email ID:** b.shenoy@lesgroup.in **Website:** www.lesgroup.in
Date of Incorporation	May 09, 2005
Corporate Identification Number	U74210KA2005PLC036274
Company Category	Company Limited by Shares
Company Subcategory	Indian Non-Government Company
Address of Registrar of Companies	**Registrar of Companies - Bangalore** Registrar of Companies, 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Banglore-560034, Karnataka.
Designated Stock Exchange^	**BSE Limited,** SME Platform of BSE Limited **("BSE SME")** P.J. Towers, Dalal Street, Mumbai – 400 001
Company Secretary and Compliance Officer	**Ms. Sneha Hegde** **Leapfrog Engineering Services Limited** No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076 **Contact No:** +91 78994 81340 **Email ID:** cs@lesgroup.in **Website:** www.lesgroup.in

Chief Financial Officer	**Mrs. Sapna Raghavendra** **Leapfrog Engineering Services Limited** No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076 **Contact No:** +91 99456 00288 **Email ID:** cfo@lesgroup.in **Website:** www.lesgroup.in
Peer Review / Statutory Auditor of the company	**M/s Rao Associates, Chartered Accountants** 161, Gayathri, S L Byrappa Road, 3rd Cross, 3rd Main, Hanumanthanagar, Bangalore - 560004 **Contact Person:** Shilpa D Rao **Email ID:** branchoffice@raoassociates.com **Contact No.:** +91 98809 28104 **Designation:** Partner **Membership No.:** 230596 **Firm Registration No**: 003080S **Peer Review Certificate No**: 014277, Valid up to 31-05-2025
Issue Programme	**Bid/Issue Opens On** [●] **Bid/Issue Closes On** [●]

^ In compliance with Regulation 230(1)(a) of SEBI (ICDR) Regulation, 2018, we have made an application to SME Platform of BSE Limited only for listing of our equity shares.

Board of Directors of Our Company

Sl. No.	Name of the Director	DIN	Current Designation	Age	Address
1	Prabhav Narasimha Rao	02277473	Managing Director	55	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
2	Priyashaila Prabhav Rao	02122050	Whole Time Director	51	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
3	Sapna Raghavendra	08914356	Whole Time Director & CFO	44	No.10, 1st Main, Samrat Layout, Opposite Reliance Mart, Arekere, Bannerghatta Road, Bangalore South, Bangalore, Karnataka-560076
4	Kommanahalli Giridhar	10563746	Non-Executive Director	67	Apartment 201, 35/4, Glendale, M.N Krishna Rao Road, opposite United Lodge of Theosophists, Basavanagudi, Bangalore South, Banagaluru, Karnataka-560004
5	Vijay Kumar Sajjan	10509632	Independent Director	42	Hasan Road, Near Town Police Station, Shanti Colony, VTC: Koppal, PO: Koppal, Sub District: Koppal, District: Koppal, Karnataka, 583231
6	Krishnamurthy Salekoppa Parameshawarabhatta	10512697	Independent Director	60	No. 36, 4th Main, 14th Cross Vyalikaval Bangalore, Malleswaram Bangalore, Karnataka 560003

*For further details of the Board of Directors, please refer to the Section titled **"Our Management"** beginning on page no 173 of this Draft Red Herring Prospectus.*

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

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED 'Anandlok', Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India **Telephone:** 033 – 2289 5101 / 4603 2561 **Email:** info@finshoregroup.com **Website:** www.finshoregroup.com **Investor Grievance Email:** investors@finshoregroup.com **Contact Person:** Mr. S. Ramakrishna Iyengar **SEBI Registration No:** INM000012185 **CIN:** U74900WB2011PLC169377	**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED** No. 30 Ramana Residency-4th Cross Sampige Road Malleswaram, Bengaluru - 560003 **Telephone:** 080-23460815-819 **E-mail:** smeipo@integratedindia.in **Website:** www.integratedregistry.in **Investor Grievance Email:** giri@integratedindia.in **Contact Person:** Mr. S Giridhar **SEBI Registration No:** INR000000544 **CIN**: U74900TN2015PTC101466
BANKER TO THE ISSUE	**LEGAL ADVISOR TO THE ISSUE**
[•]	**J. MUKHERJEE & ASSOCIATES** Room 6, 2nd Floor, Saraf House, 4/1, Red Cross Place, Kolkata-700001, West Bengal, India **Telephone:** +91 9830640366 **Email:** jmukherjeeandassociates@gmail.com **Contact Person:** Mr. Jayabrata Mukherjee **Bar Council No.:** F/445/246/2013

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Statement of *Inter Se* Allocation of Responsibilities

Finshore Management Services Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Self-Certified Syndicate Banks ("SCSBs")

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the UPI Bidders may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism, is provided in the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.

Registered Brokers

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

Brokers to This Issue

Bidders can submit ASBA Forms in the Issue using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 , as updated from time to time.

Collecting Depository Participants

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

Credit Rating

This being an Issue of Equity Shares, credit rating is not required. However, CRISIL has assigned 'A4 for Short Term Rating and B/Stable for Long Term Rating' vide their report dated November 30, 2024.

Trustees

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

Debenture Trustees

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

IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Monitoring Agency

As per regulation 262(1) of SEBI ICDR Regulations, the size of the Offer does not exceed ₹ 10,000 Lakhs, our Company is not required to appoint a Monitoring Agency registered with SEBI in compliance with the SEBI ICDR Regulations, prior to filing of the Red Herring Prospectus. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue. For details, see ***"Objects of the issue"*** on page 86 of this Draft Red Herring Prospectus

Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue.

Filing of Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus with the SEBI/ROC

The Draft Red Herring Prospectus is being filed with BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.

Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on the draft offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Prospectus will be mailed at the e-mail address: cfddil@sebi.gov.in.

A copy of Draft Red Herring Prospectus will be available on website of the company www.lesgroup.in, Book Running Lead Manager www.finshoregroup.com and stock exchange www.bseindia.com.

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies Karnataka and through the electronic portal at http://www.mca.gov.in/mcafoportal.

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band. The Price Band shall be determined by our Company and the selling shareholder in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and in regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/Issue Opening date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company and the selling shareholder in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date. For further details, please refer to the chapter titled ***"Issue Procedure"*** beginning from page no. 312 of Draft Red Herring Prospectus.

Principal parties involved in the Book Building Process are-

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

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the "**Anchor Investor**

Portion"), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Non-Institutional Investors with an application size of up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. In accordance with the SEBI ICDR Regulations, QIBs and NIBs are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Except for Allocation to RIBs, and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue. For details in this regards, specific attention is invited to the chapter titled **"*Issue Procedure*"** beginning from page no 312 of the Draft Red Herring Prospectus. The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

For further details on the method and procedure for Bidding, please see section entitled **"*Issue Procedure*"** on page 312 of this Draft Red Herring Prospectus. Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled "***Issue Procedure***" on page 312 of this Draft Red Herring Prospectus);

- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.

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

- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Issue Programme

Event	Indicative Dates
Anchor Portion Offer Opens/Closes on	[●]
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalisation of Basis of Allotment with BSE SME	On or before [●]
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts or UPI Linke Bank Account	On or before [●]
Credit of Equity Shares to demat accounts of the Allottees	On or before [●]
Commencement of trading of the Equity Shares on BSE SME	On or before [●]

The above timetable is indicative and does not constitute any obligation on our Company, the selling shareholder or the Book Running Lead Manager. Whilst our Company and the selling shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 (Three) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Expert Opinion

Our Company has not obtained any expert opinions except we have received consent from the Peer Review Auditors of the Company to include their name as an expert in this Draft Red Herring Prospectus in relation to the (a) Peer Review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Peer review Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Change in Auditors during the last three (3) years

There has been no change in the Auditor during the last 3 years.

Underwriter

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) The Book Running Lead Manager(s) shall underwrite at least fifteen per cent of the issue size on their own account(s).

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, Address, Telephone, and Email of the Underwriter	Indicated number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
Finshore Management Services Limited Anandlok, Block-A, 2nd Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, West Bengal, India **Tel No:** 033 – 2289 5101 / 4603 2561 **Website:** www.finshoregroup.com **Email:** info@finshoregroup.com **Investor Grievance Email:** investors@finshoregroup.com **Contact Person:** Mr. S. Ramakrishna Iyengar **SEBI Registration No:** INM000012185	[●] Equity Shares*	[●]	100.00%

**Includes [●] Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

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

Details of Market Making Arrangement for This Issue

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

Name	[●]
Address	[●]
Contact Person	[●]
Telephone	[●]
E-mail	[●]
Website	[●]
SEBI Registration No	[●]
CIN	[●]

M/s. [●], registered with BSE Limited, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI (ICDR) Regulations as amended from time to time.

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

- *In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.*

- *In terms of regulation 261(2) of SEBI ICDR Regulations 2018, The market maker or issuer, in consultation with the Book Running Lead Manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE SME.*

- *In terms of regulation 261(3) of SEBI ICDR Regulations 2018, Following is a summary of the key details pertaining to the Market Making arrangement*

1. The Market Maker "[●]" shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time.

3. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 and SEBI ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on SME platform.

4. The minimum depth of the quote shall be Rs.1.00 Lakh. However, the investors with holdings of value less than Rs. 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.

6. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on BSE SME (in this case currently the minimum trading lot size is **[●]** equity shares; however, the same may be changed by the BSE SME from time to time).

7. The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.

8. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the BSE Limited.

9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

10. In terms of regulation 261(6) of SEBI ICDR Regulations 2018, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of **Leapfrog Engineering Services Limited** or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.

11. In terms of regulation 261(7) of SEBI ICDR Regulations 2018, The Promoters' holding of **Leapfrog Engineering Services Limited** shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of **Leapfrog Engineering Services Limited** which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the SME Platform of BSE, in the manner specified by SEBI from time to time.

12. The Book Running Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI (ICDR) Regulations, 2018.

13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of **Leapfrog Engineering Services Limited** via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

14. **Risk containment measures and monitoring for Market Maker**: BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.

15. **Punitive Action in case of default by Market Maker(s):** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

    The Market Maker(s) shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

    In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

16. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction

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

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

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

19. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

    i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

    ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- *In terms of regulation 261(4) of SEBI ICDR Regulations 2018, The specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the Book Running Lead Manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on BSE SME.*

- *In terms of regulation 261(5) of SEBI ICDR Regulations 2018, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME.*

SECTION VI: CAPITAL STRUCTURE

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Draft Red Herring Prospectus, is set forth below:

(Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	***Authorized Share Capital***		
	17,00,00,000 Equity Shares of ₹1/- each	1,700.00	--
B.	***Issued, Subscribed & Paid-up Share Capital prior to the Offer*** [(1)]		
	10,71,84,000 Equity Shares of ₹1/- each	1,071.84	--
C.	***Present issue in terms of the Draft Red Herring Prospectus*** [(2)]		
	Up to 4,10,64,000 Equity Shares of ₹1/- each for cash at a price of ₹ [●]/- per share	[●]	[●]
	Consisting of:		
	Fresh Issue of up to 3,71,76,000 Equity Shares of face value of ₹1/- each at a Premium of ₹ [●] per share	[●]	[●]
	Offer for Sale of up to 38,88,000 Equity Shares of face value of ₹1/- each at a Premium of ₹ [●] per share [(3)]	[●]	[●]
Which Comprises of			
D.	***Reservation for Market Maker portion***		
	Up to [●] Shares of ₹1/- each for cash at a price a ₹[●]/- per Equity Share	[●]	[●]
E.	***Net Issue to the Public***		
	Up to [●] Equity Shares of ₹1/- each for cash at a price a ₹[●]/- per Equity Share, ***out of which***:	[●]	[●]
	Allocation to Qualified Institutional Buyers: Not more than [●] Equity Shares of ₹ 1/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	Allocation to Non-Institutional Investors: At least [●] Equity Shares of ₹ 1/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	Allocation to Retail Individual Investors: At least [●] Equity Shares of ₹ 1/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Retail Investors		
F.	***Paid up Equity capital after the Issue***		
	Up to [●] Equity Shares of ₹1/- each	[●]	
G.	***Securities Premium Account***		
	Before the Issue	1,468.32	
	After the Issue	[●]	

[(1)] *Our Company has only one class of share, i.e., Equity Shares having face value of ₹1/- each and there are no partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this Draft Red Herring Prospectus.*

[(2)] *The present Issue of up to 4,10,64,000 Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated* ***December 16, 2024*** *and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting of the members held on* ***December 19, 2024.***

(3) The Selling Shareholder confirms that its portion of the Offered Shares has not been held for at least one year prior to the filing of this Draft Red Herring Prospectus. However, these shares are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. This eligibility arises as the shares were issued as bonus shares on shares that had been held for over a year, with the issuance funded from the free reserves existing in the books of account.

The Offer for Sale has been authorized by the Selling Shareholder by authorization letter dated ***December 13, 2024.***

Sr. No	Selling Shareholder	Aggregate amount of Offer for Sale (₹ in lakhs)	Number of Equity Shares proposed to be offered in the Offer for Sale	% of the Pre-issue Paid-up Equity Share capital
1.	Prabhav Narasimha Rao	[●]	38,88,000	3.63%

Details of changes in Authorized Share Capital of our Company since incorporation:

Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (Rs.)	Details of change
09-05-2005	On Incorporation	1,00,000	Incorporated with an Authorized Share Capital of ₹1,00,000 comprising of 10,000 Equity Shares of ₹10/- each.
20-03-2010	EGM	50,00,000	Increase in Authorized Share Capital from ₹1,00,000 comprising of 10,000 Equity Shares of ₹10/- each. to ₹ 50,00,000 comprising of 5,00,000 Equity Shares of ₹10/- each.
03-10-2012	EGM	1,00,00,000	Increase in Authorised Share Capital from ₹ 50,00,000 comprising of 5,00,000 Equity Shares of ₹10/- each to ₹ 1,00,00,000 comprising of 10,00,000 Equity Shares of ₹ 10/- each.
26-02-2024	EGM	15,00,00,000	Increase in Authorised Share Capital from ₹ 1,00,00,000 comprising of 10,00,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000 comprising of 1,50,00,000 Equity Shares of ₹ 10/- each.
05-08-2024	EGM	15,00,00,000	Sub Division of face value of shares from ₹10/- each to ₹1/- each resulting from 1,50,00,000 Equity Shares of ₹10/- each to 15,00,00,000 Equity Shares of ₹1/- each.
21-10-2024	EGM	17,00,00,000	Increase in Authorised Share Capital from ₹ 15,00,00,000 comprising of 15,00,00,000 Equity Shares of ₹ 1/- each to ₹ 17,00,00,000 comprising of 17,00,00,000 Equity Shares of ₹ 1/- each.

Notes to Capital Structure

Share capital history of our Company

(a) Equity shares capital history of our Company:

The following is the history of the equity share capital of our Company:

Date of Allotment	No. of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)
09-05-2005(1)	10,000	10.00	10.00	Cash	Subscription to MOA	10,000	1,00,000
27-09-2010(2)	1,50,000	10.00	10.00	Cash	Further Allotment	1,60,000	16,00,000
29-11-2010 (3)	3,20,000	10.00	-	Nil	Bonus Issue	4,80,000	48,00,000
17-05-2024 (4)	96,00,000	10.00	-	Nil	Bonus Issue	1,00,80,000	10,08,00,000
05-08-2024 (5)	10,08,00,000	1.00	-	-	Sub division of Equity Shares from Face Value of Rs. 10/- each to Rs 1/- each	10,08,00,000	10,08,00,000
31-10-2024(6)	63,84,000	1.00	24.00	Cash	Private Placement	10,71,84,000	10,71,84,000

(1) Allotment on Initial subscription to the Memorandum of Association dated 09-05-2005:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Prabhav Narasimha Rao	10.00	10.00	Subscription to MOA	5,000
2	Priyashaila Prabhav Rao	10.00	10.00	Subscription to MOA	5,000
Total					**10,000**

(2) Further on 27-09-2010, Company has allotted 1,50,000 Equity Shares of Face Value Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Prabhav Narasimha Rao	10.00	10.00	Further Allotment	75,000
2	Priyashaila Prabhav Rao	10.00	10.00	Further Allotment	75,000
Total					**1,50,000**

(3) Further on 29-11-2010, Company has allotted 3,20,000 Equity Shares as a Bonus Issue in the ratio of (2:1) i.e., Two Equity Shares for every One fully paid-up equity share held by existing shareholders of Face Value Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Prabhav Narasimha Rao	10.00	-	Bonus Issue	1,60,000
2	Priyashaila Prabhav Rao	10.00	-	Bonus Issue	1,60,000
Total					**3,20,000**

(4) Further on 17-05-2024, Company has allotted 96,00,000 Equity Shares as a Bonus Issue in the ratio of (20:1) i.e., Twenty Equity Shares for every One fully paid-up equity share held by existing shareholders of Face Value Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1.	Prabhav Narasimha Rao	10.00	-	Bonus Issue	45,36,000
2.	Priyashaila Prabhav Rao	10.00	-	Bonus Issue	43,44,000
3.	Ayush P Rao	10.00	-	Bonus Issue	3,84,000
4.	Pranav Narasimha Rao	10.00	-	Bonus Issue	96,000
5.	Pratibha Upadhyaya	10.00	-	Bonus Issue	24,000
6.	Upanishad Prashant Rao	10.00	-	Bonus Issue	24,000
7.	Sapna Raghvendra	10.00	-	Bonus Issue	1,68,000
8.	Prajna Shridhar Acharya	10.00	-	Bonus Issue	24,000
Total					**96,00,000**

(5) Further on 05-08-2024 Company has allotted 10,08,00,000 Shares pursuant to the sub-division of Face Value of Shares from Rs. 10/- each to Rs. 1/- each to existing Shareholders. Due to sub-division, previous shares allotted to them having face value of Rs 10/- each has been cancelled.

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1.	Prabhav Narasimha Rao.	1.00	-	Sub-division	4,76,28,000
2.	Priyashaila Prabhav Rao	1.00	-	Sub-division	4,56,12,000
3.	Ayush P Rao	1.00	-	Sub-division	40,32,000
4.	Pranav Narasimha Rao	1.00	-	Sub-division	10,08,000
5.	Pratibha Upadhyaya	1.00	-	Sub-division	2,52,000
6.	Upanishad Prashant Rao	1.00	-	Sub-division	2,52,000
7.	Sapna Raghvendra	1.00	-	Sub-division	17,64,000
8.	Prajna Shridhar Acharya	1.00	-	Sub-division	2,52,000
Total					**10,08,00,000**

(6) Further 31-10-2024, Company has allotted 63,84,000 Equity Shares of Face Value Rs. 1/- each as per details given below

Sl. No.	***Name of the allottee***	***Face Value (₹)***	***Issue Price (₹)***	***Nature of Allotment***	***Number of Equity Shares allotted***
1	*Jugal Kishore Bhagat*	*1.00*	*24.00*	*Private Placement*	*5,04,000*
2	*Rekha Bhagat*	*1.00*	*24.00*	*Private Placement*	*5,04,000*
3	*Venumuddala Vivek Reddy*	*1.00*	*24.00*	*Private Placement*	*2,04,000*
4	*Mega Flex Plastics Limited*	*1.00*	*24.00*	*Private Placement*	*1,08,000*
5	*White Saffron Grains LLP*	*1.00*	*24.00*	*Private Placement*	*1,08,000*
6	*Sampati Devi Jain*	*1.00*	*24.00*	*Private Placement*	*48,000*
7	*Sneha Bothra*	*1.00*	*24.00*	*Private Placement*	*42,000*
8	*Sonal Bhura*	*1.00*	*24.00*	*Private Placement*	*24,000*
9	*Deepak Raijada*	*1.00*	*24.00*	*Private Placement*	*24,000*
10	*Dimple Bothra*	*1.00*	*24.00*	*Private Placement*	*24,000*
11	*Rajesh Kumar Ghorawat*	*1.00*	*24.00*	*Private Placement*	*18,000*
12	*Rosy Sethia*	*1.00*	*24.00*	*Private Placement*	*12,000*
13	*Vishala Loonia*	*1.00*	*24.00*	*Private Placement*	*1,86,000*
14	*Shreyans Surendra Kumar Loonia*	*1.00*	*24.00*	*Private Placement*	*60,000*
15	*Nimisha Varun Modi*	*1.00*	*24.00*	*Private Placement*	*24,000*
16	*Tulip Trade Link Pvt. Ltd.*	*1.00*	*24.00*	*Private Placement*	*36,000*
17	*Shuchi Vikas Agarwal*	*1.00*	*24.00*	*Private Placement*	*36,000*
18	*Raksha Bachhawat*	*1.00*	*24.00*	*Private Placement*	*36,000*
19	*Raghani Vikram Amarlal*	*1.00*	*24.00*	*Private Placement*	*24,000*
20	*Bibi Hajira*	*1.00*	*24.00*	*Private Placement*	*1,02,000*
21	*Santa Ghosh*	*1.00*	*24.00*	*Private Placement*	*10,02,000*
22	*Swati Abhay Lakhani*	*1.00*	*24.00*	*Private Placement*	*2,16,000*
23	*Aamara Capital Private Limited*	*1.00*	*24.00*	*Private Placement*	*6,24,000*
24	*Sahastra Sales Private Limited*	*1.00*	*24.00*	*Private Placement*	*72,000*
25	*Nitish Srinivasa Murthy*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
26	*Pratik Joshi*	*1.00*	*24.00*	*Private Placement*	*42,000*
27	*Dattatraya Joshi*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
28	*Ravi Rao*	*1.00*	*24.00*	*Private Placement*	*1,08,000*
29	*Umesh Sangurmath*	*1.00*	*24.00*	*Private Placement*	*1,08,000*
30	*Nithyashree*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
31	*Raghavendra M.*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
32	*Dr. Shivananda R. Koteshwar*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
33	*Pranav Narasimha Rao*	*1.00*	*24.00*	*Private Placement*	*2,10,000*
34	*Krishnamoorthy Sriram*	*1.00*	*24.00*	*Private Placement*	*1,20,000*
35	*Sanjay Das*	*1.00*	*24.00*	*Private Placement*	*1,20,000*
36	*Anand Dusi*	*1.00*	*24.00*	*Private Placement*	*54,000*
37	*Shanthakumar Madhu*	*1.00*	*24.00*	*Private Placement*	*3,30,000*
38	*Arcot Raghuraman*	*1.00*	*24.00*	*Private Placement*	*1,02,000*
39	*Arcot Kumaresan*	*1.00*	*24.00*	*Private Placement*	*1,02,000*
Total					***63,84,000***

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

(b) Equity shares issued for consideration other than cash:

As on the date of this Draft Red Herring Prospectus, Our Company has not issued Equity shares for consideration other than cash except as mentioned below.

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
29-11-2010	3,20,000	-	Nil	Bonus Issue	#	Capitalization of reserves
17-05-2024	96,00,000	-	Nil	Bonus Issue	#	Capitalization of reserves

#For list of allottees, see note 3, & 4 of paragraph titled "Equity Share Capital History of our Company" mentioned above.

(c) Revaluation of our assets:

We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

(d) If shares have been issued in terms of any scheme approved under section 230-234 of the Companies Act, 2013:

Our Company has not issued any Equity Shares in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

(e) If shares have been issued under one or more employee stock option schemes:

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

(f) Issue of Equity Shares in the last one year below the Issue Price:

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
17-05-2024	96,00,000	-	Nil	Bonus Issue	#	Capitalization of reserves

#For list of allottees, see note 4 of paragraph titled "Equity Share Capital History of our Company" mentioned above.

(g) Shareholding Pattern of our Company:

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

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)#
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Sb)	
								Class: X	Class: Y	Total								
A1	**Promoter**	2	9,32,40,000	-	-	9,32,40,000	86.99%	9,32,40,000	-	9,32,40,000	86.99%	-	86.99%	-	-	-	-	9,32,40,000
A2	**Promoter Group**	5	60,06,000	-	-	60,06,000	5.60%	60,06,000	-	60,06,000	5.60%	-	5.60%	-	-	-	-	60,06,000
B	**Public**	39	79,38,000	-	-	79,38,000	7.41%	79,38,000	-	79,38,000	7.41%	-	7.41%	-	-	-	-	79,38,000
C	**Non-Promoter-Non-Public**	-	-	-	-	-		-	-	-		-	-	-	-	-	-	-
C1	**Shares underlying DRs**	-	-	-	-	-		-	-	-		-	-	-	-	-	-	-
C2	**Shares held by Employee Trusts**	-	-	-	-	-		-	-	-		-	-	-	-	-	-	-
	Total	**46**	**10,71,84,000**	**-**	**-**	**10,71,84,000**	**100.00%**	**10,71,84,000**	**-**	**10,71,84,000**	**100.00%**	**-**	**100.00%**	**-**	**-**	**-**	**-**	**10,71,84,000**

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

As on date, we have only one class of Equity Shares of face value of Rs. 1/- each.

All Pre-IPO equity shares of our company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on SME Platform of BSE Limited.

In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Share.

(i) List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on the date of the Draft Red Herring Prospectus:

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Prabhav Narasimha Rao	4,76,28,000	44.44%
2	Priyashaila Prabhav Rao	4,56,12,000	42.55%
3	Ayush P Rao	40,32,000	3.76%
4	Pranav Narasimha Rao	12,18,000	1.14%
5	Sapna Raghvendra	17,64,000	1.65%
	Total	**10,02,54,000**	**93.53%**

(ii) List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 10 days before the date of the Draft Red Herring Prospectus:

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Prabhav Narasimha Rao	4,76,28,000	44.44%
2	Priyashaila Prabhav Rao	4,56,12,000	42.55%
3	Ayush P Rao	40,32,000	3.76%
4	Pranav Narasimha Rao	12,18,000	1.14%
5	Sapna Raghvendra	17,64,000	1.65%
	Total	**10,02,54,000**	**93.53%**

(iii) List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 1 (one) year before the date of the Draft Red Herring Prospectus:

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Prabhav Narasimha Rao	2,40,000	50.00%
2	Priyashaila Prabhav Rao	2,40,000	50.00%
	Total	**4,80,000**	**100.00%**

(iv) List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 2 (two) year before the date of the Draft Red Herring Prospectus:

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Prabhav Narasimha Rao	2,40,000	50.00%
2	Priyashaila Prabhav Rao	2,40,000	50.00%
	Total	**4,80,000**	**100.00%**

(h) Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:

Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company after obtaining relevant approvals.

(i) The Details of Shareholding of Promoters of Our Company;

Capital Build-up of our Promoters in our Company:

The current promoters of our Company are Mr. Prabhav Narasimha Rao and Mrs. Priyashaila Prabhav Rao pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 9,32,40,000 Equity Shares, which constitutes approximately 86.99% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately [●]% of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Promoters				
Prabhav Narasimha Rao	4,76,28,000	44.44%	4,37,40,000	[●]
Priyashaila Prabhav Rao	4,56,12,000	42.55%	4,56,12,000	[●]
Total Promoters Shareholding	**9,32,40,000**	**86.99%**	**8,93,52,000**	[●]

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the equity shareholding of our Promoters since the incorporation of our Company.

i) Prabhav Narasimha Rao.

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value	Issue/ Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding%	Pledge
09-05-2005	5,000	10.00	10.00	Cash	Subscription to MoA	0.00%	[●]	No
27-09-2010	75,000	10.00	10.00	Cash	Further Allotment	0.07%	[●]	No
29-11-2010	1,60,000	10.00	-	Nil	Bonus Issue	0.15%	[●]	No
05-03-2024	-1,200	10.00	10.00	Cash	Transfer to Poornima Rao	0.00%	[●]	No
05-03-2024	-1,200	10.00	10.00	Cash	Transfer to Prajna Acharya	0.00%	[●]	No
05-03-2024	-4,800	10.00	10.00	Cash	Transfer to Pranav N Rao	0.00%	[●]	No
05-03-2024	-1,200	10.00	10.00	Cash	Transfer to Pratibha Upadhyaya	0.00%	[●]	No
25-03-2024	-4,800	10.00	10.00	Cash	Transfer to Sapna Raghavendra	0.00%	[●]	No
17-05-2024	45,36,000	10.00	-	Nil	Bonus Issue	4.23%	[●]	No
05-08-2024	-47,62,800	10.00	--	Cancelled	Sub-Division	-4.44%	[●]	No
05-08-2024	4,76,28,000	1.00	-	-	Sub-Division	44.44%	[●]	No
TOTAL	**4,76,28,000**					**44.44%**	[●]	

ii) Priyashaila Prabhav Rao

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value	Issue/ Transfer Price per Equity Share	Nature of Consideration	Nature of transaction	Pre-issue Share Holding%	Post-issue Share Holding%	Pledge
09-05-2005	5,000	10.00	10.00	Cash	Subscription to MoA	0.00%	[●]	No
27-09-2010	75,000	10.00	10.00	Cash	Further Allotment	0.07%	[●]	No
29-11-2010	1,60,000	10.00	-	Nil	Bonus Issue	0.15%	[●]	No
05-03-2024	-9,600	10.00	10.00	Cash	Transfer to Ayush P Rao	-0.01%	[●]	No
25-03-2024	-9,600	10.00	10.00	Cash	Transfer to Ayush P Rao	-0.01%	[●]	No
25-03-2024	-3,600	10.00	10.00	Cash	Transfer to Sapna Raghavendra	0.00%	[●]	No
16-05-2024	43,44,000	10.00	-	Nil	Bonus Issue	4.05%	[●]	No
05-08-2024	-45,61,200	10.00	-	-	Sub-Division	-4.26%	[●]	No
05-08-2024	4,56,12,000	1.00	-	-	Sub-Division	42.55%	[●]	No
TOTAL	**4,56,12,000**					**42.55%**	[●]	

Note: All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(j) As on date of this Draft Red Herring Prospectus, our Company has 46 (Forty-Six) shareholders only.

(k) The aggregate shareholding of the Promoters and Promoter Group and of the directors of the promoters, where the promoter is a body corporate:

The Aggregate shareholding of the Promoters & Promoter Group is as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Promoters				
Prabhav Narasimha Rao	4,76,28,000	44.44%	4,37,40,000	[●]
Priyashaila Prabhav Rao	4,56,12,000	42.55%	4,56,12,000	[●]
Total Promoters Shareholding (A)	**9,32,40,000**	**86.99%**	**8,93,52,000**	[●]
Promoter Group				
Ayush P Rao	40,32,000	3.76%	40,32,000	[●]
Pranav Narasimha Rao	12,18,000	1.14%	12,18,000	[●]
Pratibha Upadhyaya	2,52,000	0.24%	2,52,000	[●]
Upanishad Prashant Rao	2,52,000	0.24%	2,52,000	[●]
Prajna Shridhar Acharya	2,52,000	0.24%	2,52,000	[●]
Total Promoters Group Shareholding (B)	**60,06,000**	**5.60%**	**60,06,000**	[●]
Total Promoters & Promoters Group (A+B)	**9,92,46,000**	**92.59%**	**9,53,58,000**	[●]

(l) The aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of the company and their relatives in the preceding six months:

Nil

(m)* *There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the offer document.

(n) Promoter's Contribution:

(i) Details of Promoter's Contribution Locked-in of Equity Shares for Three (3) Years

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company.

Further, in terms of Regulation 238(a) of SEBI ICDR Regulations, minimum promoter's contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoter of our Company in excess of minimum promoter's contribution will be locked-in for a period of one year from the date of Allotment.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 9,32,40,000 Equity Shares constituting [●] % of the Post offer issued, subscribed and paid-up Equity Share capital of our Company, out of which [●] equity shares being 20.00% of the post Issue equity share capital of our Company are eligible for the Promoter's Contribution margin.

An aggregate of minimum 20.00% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Minimum Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

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

The details of lock-in of shares for 3 (three) years are as under:

Date of Allotment/ Acquisition	Date When made fully paid up	Nature of Allotment/ Transfer	No. of Equity Shares	Face Value	Issue Price/ Transfer Price	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital	Lock in Period
Prabhav Narasimha Rao								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Priyashaila Prabhav Rao								
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total			[●]			[●]	[●]	

[●] Pre-IPO equity shares of our company held by Our Promoter will be locked-in for 3 (three) years as mentioned above prior to listing of shares.

In terms of Regulation 237 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoter's contribution –

- Are acquired by our Promoter during preceding three financial years;
  - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
  - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoter's contribution;

- Are pledged by our Promoter with any creditor;
- Consist of Equity Shares acquired by our Promoter during preceding one year at a price lower than the Issue Price.

Our Company was incorporated under the Companies Act, 1956.

The Promoters have severally confirmed that the Equity Shares are eligible in terms of Regulation 237 of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares are free from any lien, encumbrance or third-party rights. The Promoters have also severally confirmed that they are the legal and beneficial owners of the Equity.

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

(ii) Details of Equity Shares Locked-in for one (1) year

In excess of minimum 20% of the post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), the balance pre-issue share capital of our Company held by promoters shall be locked in for a period of one year from the date of Allotment in this Issue as provided in clause 238(b) of SEBI (ICDR) Regulations 2018.

Further, in terms of Regulation 239 of SEBI ICDR Regulations, entire pre-Issue equity shares capital of our Company held by persons other than our Promoter will be locked-in for a period of one year from the date of Allotment in the Issue.

Lock-in of Securities held by Promoters for One Year

Name of Promoter	*Category*	*No of Shares Held*	*Lock-in for 1 Year*
Prabhav Narasimha Rao	Promoter	4,76,28,000	[●]
Priyashaila Prabhav Rao	Promoter	4,56,12,000	[●]
Total		**9,32,40,000**	**[●]**

Lock-in of Securities held by persons other than Promoters for One Year

Name of Shareholders	*Category*	*No of Shares Held*	*Lock-in for 1 Year*
Ayush P Rao	Promoter Group	40,32,000	40,32,000
Pranav Narasimha Rao	Promoter Group	12,18,000	12,18,000
Pratibha Upadhyaya	Promoter Group	2,52,000	2,52,000
Upanishad Prashant Rao	Promoter Group	2,52,000	2,52,000
Prajna Shridhar Acharya	Promoter Group	2,52,000	2,52,000
Others	Public	79,38,000	79,38,000
Total		**1,39,44,000**	**1,39,44,000**

(iii) Other requirements in respect of lock-in

- **Inscription or recording of non-transferability:**

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

➢ **Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

i. In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;

ii. In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

➢ **Transfer of Locked-in Equity Shares**

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

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

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

(iv) Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this Draft Red Herring Prospectus:

There is no other Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this Draft Red Herring Prospectus except as mentioned in this chapter and Draft Red Herring Prospectus.

(o) Our Company, our Directors and the Book Running Book Running Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company. The Equity Shares issued pursuant to this Issue shall be fully paid-up.

(p) Our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Red Herring Prospectus except as otherwise mentioned in ***"Risk Factors"*** beginning on Page 24 of Draft Red Herring Prospectus, if any.

(q) The Book Running Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this Draft Red Herring Prospectus.

(r) There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the Draft Red Herring Prospectus.

(s) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

Other miscellaneous disclosures:

1. None of the Equity Shares of our Company are subject to any pledge as on the date of this Draft Red Herring Prospectus.

2. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this Draft Red Herring Prospectus.

3. Except as disclosed in the chapter titled ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus, none of our directors or Key Managerial Personnel or Senior Management holds any Equity Shares in our Company.

4. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the Draft Red Herring Prospectus.

5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.

6. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

7. Our Company has not issued Equity Shares out of Revaluation Reserves.

8. Our Company and the selling shareholder shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.

9. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this Draft Red Herring Prospectus.

10. Our Company has not raised any bridge loan against the proceeds of this issue.

11. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Red Herring Prospectus.

12. Our Company has not revalued its assets since incorporation.

13. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

14. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.

15. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations.

16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.

18. There are no Equity Shares against which depository receipts have been issued.

19. Other than the Equity Shares, there is no other class of securities issued by our Company.

20. This issue is being made through a Book Build method.

21. Since present issue is a Book Built Issue, the allocation in the net offer to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
    (a) not less than thirty-five per cent to Retail Individual Investors;
    (b) not less than fifteen per cent to Non-Institutional Investors;
    (c) not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual Funds.

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

    Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

22. ***Our Promoters and members of our Promoter Group will not participate in the Issue.***

SECTION VII: PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The issue is up to **4,10,64,000** Equity Shares of face value of ₹**1**/- each of our Company comprising of up to **3,71,76,000** equity shares of Face Value Rs. 1/- as Fresh Issue of Securities **("Fresh Issue")** and up to **38,88,000** equity shares of Face Value Rs. 1/- as Offer for Sale of Securities **("OFS/Offer for Sale")** at an Issue Price of ₹ **[●]/-** per Equity Share aggregating to ₹ **[●]** Lakhs. Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on Stock Exchange.

Offer for Sale:

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. Selling Shareholder will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Other than the listing fees all cost, fees and expenses in respect of the Offer will be shared amongst our Company and Selling Shareholder, respectively, in proportion to the proceeds received for the Fresh issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Offer.

The Objects of the Issue are:

A. Funding Capital Expenditure for setting up of Assembling Unit
B. To meet Working Capital Requirements
C. To meet the Issue Expenses
D. General Corporate Purposes

Our Company believes that listing will enhance our Company's corporate image, visibility of our brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

Issue Proceeds and Net Proceeds

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

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	**[●]**

The following table summarizes the requirement of funds:

(₹ in Lakhs)

Sr. No.	Particulars	Estimated Amount	% of total issue size*
A	Funding Capital Expenditure towards setting up Assembling Unit	Up to 2,806.91	[●]
B	Working Capital Requirements	Up to 4,506.03	[●]
C	Issue Related Expenses*	[●]	[●]
D	General Corporate Expenses*	[●]	[●]
	Total IPO Proceeds*	[●]	[●]
E	Less: Issue Related Expenses*	[●]	[●]
	Net Issue Proceeds*	**[●]**	**[●]**

**To be determined upon finalisation of the Issue Price and updated in the Red Herring Prospectus / Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Schedule of estimated utilisation of funds:

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be financed from Issue Proceeds	Estimated utilisation of Issue Proceeds in FY 2024-25 & 2025-26
A	Funding Capital Expenditure towards setting up Assembling Unit	Up to 2,806.91	Up to 2,806.91
B	Working Capital Requirements	Up to 4,506.03	Up to 4,506.03
C	Issue Related Expenses*	[●]	[●]
D	General Corporate Expenses*	[●]	[●]
	Total IPO Proceeds*	**[●]**	**[●]**

**To be determined upon finalisation of the Issue Price and updated in the Red Herring Prospectus / Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in internal / external circumstances or costs or other financial conditions, business or strategy, as discussed further below. In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, subject to regulatory approval required under applicable law. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2024-25 and FY 2025-26. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal year is not completely met, the same shall be utilized in the next fiscal year, as may be determined by the Board, in accordance with applicable laws.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business strategy, and external factors such as market condition, result of changes in commercial or other factors, which may not be within the control of our management. This may entail re-scheduling or revising or increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management subject to compliance of applicable law. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 and other applicable law.

Details breakup of the Use of the Proceeds

A. Funding Capital Expenditure towards setting up Assembling Unit:

Estimated Cost of the Project

₹ in lakhs

Particulars	Total Estimated Cost Amount	Cost Incurred	To be Incurred from IPO Proceeds
Land	1,264.28	10.00	1,254.28
Building & Civil Works	1,397.89	-	1,397.89
Plant & Machinery	84.85	-	84.85
Contingencies	69.89	-	69.89
Total	**2,816.91**	**10.00**	**2,806.91**

The total cost involved in setting up of Assembling Unit has been estimated by the management and is based on the quotations received from third party suppliers/contractors, and certified by Auditor vide Certificate dated 23/01/2025

Means of Finance

₹ in lakhs

Particulars	Total Estimated Cost Amount	Cost Incurred	To be Incurred from IPO Proceeds
IPO Fund	2,806.91	-	2,806.91
Internal Accrual	10.00	10.00	-
Total	**2,816.91**	**10.00**	**2,806.91**

Till the date of Draft Red Herring Prospectus, our company has made payment of ₹ 10.00 lakhs towards advance for purchase of land (based on statutory auditor certificate dated 23/01/2025. Since the project is ongoing, any further infusion of fund to complete the project on time after 23/01/2025 will be reimbursed/recouped from IPO Proceeds.

Objectives of Capital Expenditure towards setting up Assembling Unit:

As part of our strategic vision to scale operations and strengthen our brand presence, we are planning to establish an Assembling unit at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka. This project, with an estimated cost of ₹ 2,816.91 lakhs, is designed to meet the growing market demand for engineering solutions in the fields of electrical, instrumentation, industrial automation, fire safety, building automation systems, HVAC, and modular substations, ensuring optimal performance. This project will consist of Assembling Unit, Office etc.

Our company undertakes projects on an EPCC basis, which involves procuring equipment from various Original Equipment Manufacturers (OEMs) along with ancillary products such as small control panels, PLCs, electrical panels, interposing relays, annunciator panels, and LV variable frequency drives. Additionally, Leapfrog operates as an automation system integrator, requiring its own assembly unit. For business operations, components like switchgear parts, relays, enclosures, controllers, and busbars are sourced. Having our own assembly unit enables us to optimize costs, maintain better control over delivery schedules, reduce reliance on contract manufacturers, and enhance both project timelines and profitability.

To facilitate the successful execution of this project, we have already identified land situated at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka and our company has made advance payment of ₹ 10.00 lakhs for the said land. The remaining project cost of ₹ 2,806.91 lakhs will be financed through the proceeds of the Initial Public Offering (IPO).

The proposed facility is expected to be fully operational by June' 2026. Once completed, it will play a vital role in achieving our long-term goals by enabling us to meet customer expectations with superior-quality products while positioning us as a key player in the engineering solutions industry.

This project underscores our dedication to innovation, operational excellence, and sustainable growth. Beyond business objectives, it reflects our commitment to fostering industrial development and creating value for all stakeholders.

Our Company proposes to utilize ₹ 2,806.91 lakhs from IPO Proceeds towards funding part capital expenditure for proposed Assembling Unit.

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

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. In case of any variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Detailed Break-up of Capital Expenditure

Land

Our company has already identified a parcel of land admeasuring about 18,000 sq.ft. located at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka. An advance payment of ₹10.00 lakhs was made on December 7, 2024, against a total sale consideration of ₹1,186.00 lakhs.

Particulars of Land	Area of Land	Name of Party	Amount (₹ in lakhs)
Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka admeasuring	18,000 sq.ft.	Mr. K. T. Balaraj	1,186.00
Registration and Stamp Duty (incl. Cess and Surcharge) @ 6.6%			78.28
Total			**1,264.28**

Building and Civil Works

The Civil Cost of our proposed assembling unit which consists Civil Works, Steel Frames and Accessories, Structural Glazing, Finishing Items, Services, Outdoor Electrical, Interior Work and Elevator is estimated to be ₹ 1,397.89 lakhs. The detailed break-up of Building and Civil Works are hereunder:

Specification of Works	Name of Party	Date of Quotation	Quotation valid up to	Date of Placement of Order	Expected Date of Completion	Amount (₹ in lakhs)*
Steel Frames and Accessories (Mild Steel Structure, MS Chequered plate, Light Gauge Structural framework, Glass Roofing for portico, Decking Sheet, Nominal Reinforcement)	Sheel Procon Private Limited	November 27, 2024	May 25, 2025	Order not placed	Order not placed	402.13
Structural Glazing (Semi Unitized Glazing, Window, ACP Cladding)						185.32
Finishing Items (False Ceiling, Water proofing Terrace, Terrace Area Insuboard, Flooring, Wall Tiles, Glass Doors, DG Set Room Door, Doors including Toilet doors, Toilet Cubicles, Windows and ventilator, Railings, Granite Stone, Floor near emergency staircase, Wash Basin, Water closet, Overhead Tank, Down Take Pipe, Wooden Doors for stores & security room)						214.05
Services (Electrical fittings and fixtures, Lighting,						159.61

Specification of Works	Name of Party	Date of Quotation	Quotation valid up to	Date of Placement of Order	Expected Date of Completion	Amount (₹ in lakhs)*
HVAC Work, Plumbing and sanitary)						
Civil Work (Flooring Substrate, Guard Wall, Pedestal, Screed, Block Work, Sump, Drainage System, Foundation, Peremiter Wall Fencing)						202.50
Outdoor Electrical (Light point wiring, Power Point wiring, Light fixture, DBs, Panel, Transformer)						43.61
Interior Work (Workstations, Glass Partitions, Chairs)						160.07
Elevator						30.60
Total						**1,397.89**

** excluding GST*

Plant & Machinery

The Plant & Machinery for proposed Assembling Unit which consists Hydraulic Bus Bar Processing Machine, EOT Crane, Testing Equipment, Fork Lift, Diesel Generator, UPS, CCTV is estimated to be ₹ 84.85 lakhs. The detailed break-up of Plant & Machinery is hereunder:

Name of Plant & Machinery	Name of Party	Date of Quotation	Quotation valid up to	Date of Placement of Order	Expected Date of Completion	Amount (₹ in lakhs)*
Hydraulic Bus Bar Processing Machine	Bhavya Machine Tools LLP	December 16, 2024	April 14, 2025	Order not placed	Order not placed	10.31
EOT Crane (Single Girder) (3 ton Capacity)	Gugan Engineering	December 16, 2024	April 14, 2025	Order not placed	Order not placed	8.15
Testing Equipment (Digital Insulation Tester, Digital High Voltage Insulation Tester, Multifunction Tester, Universal Calibrator, Process Meter,	Metravi Instruments Pvt. Ltd.	December 02, 2024	March 31, 2025	Order not placed	Order not placed	10.25
Uno Series Electric Counterbalance Forklift (Godrej 3.0 ton)	Asha Material Handling	December 16, 2024	April 14, 2025	Order not placed	Order not placed	14.10
Diesel Generator – 250 kVA	OJUS Power and Technologies Pvt. Ltd.	December 16, 2024	April 14, 2025	Order not placed	Order not placed	20.51
Online UPS (Make: Unipar)	Unipar Energy Systems Pvt. Ltd.	November 30, 2024	March 29, 2025	Order not placed	Order not placed	12.05
CCTV	Mahi Tech Services	November 30, 2024	March 30, 2025	Order not placed	Order not placed	9.48
Total						**84.85**

** excluding GST*

Contingency

Even through the Company has received firm quotations for plant and machinery and for building and civil works, however there are some items which are yet to be finalized. Hence our company has considered a contingency of 5% on the civil cost i.e. ₹ 69.89 lakhs, so as to take care of any cost escalations, during the course of implementation of the Project.

Other confirmations relating to the proposed assembling unit:

- We have considered the above quotations for the budgetary estimate purposes and as on date of this Draft Red Herring Prospectus. Our company has not placed any orders or made any payment towards building and civil cost and purchase of above plant and machinery. The actual cost of procurement and actual supplier may vary.

- We have not entered into definitive agreements with any of these suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the equipment or at the same costs.

- We do not intend to purchase any second-hand machinery or equipment. The quantity of plant and machinery to be purchased is based on quotations received from suppliers and estimates of our management. The Management shall have the flexibility to revise such quantities/ estimates (including but not limited to change of the supplier or addition/deletion of any quantity of plant and machinery) at the time of actual placement of the order. Furthermore, if any surplus from the proceeds remains after meeting the total cost of the plant and machinery for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost at the actual time of completion, resulting in increase in the cost. Further, cost can be escalated on account of freight expenses and incidental charges. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

- The purchase of equipment/machinery and the proposed deployment is subject to final terms and conditions agreed with the supplier including the finalization of price, payment/credit terms, delivery schedule, technology advancement and other market factors prevailing at that time.

- Any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, including any contingencies etc. in relation to above object, will be met from internal accruals of our Company.

The proposed Schedule of Assembling Unit is as follows:

Particular	Estimated month of	
	Commencement	Completion
Land	December' 2024	March' 2025
Order for Building and Civil Works	April' 2025	May' 2025
Construction of Building and Civil Works	June' 2025	February' 2026
Order of Plant & Machinery	December' 2025	January' 2026
Delivery of Plant & Machinery	February' 2026	March' 2026
Installation of Plant & Machinery	March' 2026	April' 2026
Trial Run	May' 2026	May' 2026
Commercial Operation	June' 2026	

B. Working Capital Requirement and basis of estimation:

Our business is highly working capital intensive and the company funds a majority of the working capital requirement through internal accruals and short-term borrowings. As on December 31, 2024, the Company has total secured sanctioned limit of fund based working capital facilities of ₹1,795.00 lakhs out of which they have utilized ₹1,747.33 lakhs. The Company has also utilised unsecured loan amounting to ₹333.20 Lakhs from various NBFCs having dropdown limits as on December 31, 2024. The company has also non-fund based Inland Letter of Credit (ILC) limit of ₹ 300.00 Lakhs for procurement of raw materials and a limit of ₹1600.00 lakhs for the Bank Guarantee purpose. The major working capital are required for procuring the raw materials and products we deal in, Work in Progress for Finished Goods, and Sundry Debtors etc. as the money gets blocked in them. The revenue from operations has been increased from ₹4,159.14 Lakhs in FY 2021-22 to ₹ 15,785.42 Lakhs in FY 2023-24. As on September 30, 2024, the working capital requirement on restated basis was ₹3,976.56 Lakhs from the existing level of business operations.

As per the management estimation, the working capital requirement for FY 2024-25 and FY 2025-26 is expected to be ₹6,035.12 Lakhs and ₹ 12,513.86 Lakhs respectively, based on the current and future orders that may be received, for funding future growth requirements of the Company and for other strategic, business and corporate purposes. The major capital will be invested in the procuring of the raw materials for the products we deal in, maintaining stocks and Sundry Debtors as the money gets blocked in them resulting in additional working capital requirements.

Basis of estimation of Working Capital Requirements

Details of Company's working capital for the period ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the source of funding, on the basis of Restated Financial Information of our Company as set out in the table below:

Particulars	31-03-2027	31-03-2026	31-03-2025	30-09-2024	31-03-2024	31-03-2023	31-03-2022
	Estimated (₹ in lakhs)			**Restated (₹ in lakhs)**			
Cash & Bank Balance	1,462.84	1,222.75	746.19	714.13	730.23	887.24	532.77
Sundry Debtors	4,375.00	3,645.83	1,962.77	2,079.91	1,236.99	1,484.95	1,025.28
Inventory	2,617.15	2,214.74	1,145.25	897.62	860.27	361.68	439.04
Short Term Loans and Advances	4,000.00	3,500.00	1,589.07	1,029.25	829.54	2,919.64	615.88
Other Current Assets	5,058.42	4,147.51	1,902.04	1,197.02	1,073.02	548.24	226.95
Total Current Assets	**17,513.41**	**14,730.83**	**7,345.32**	**5,917.92**	**4,730.05**	**6,201.75**	**2,839.92**
Sundry Creditors	900	750	520	1,109.46	872.5	376.25	514.86
Other Current Liabilities and Short-Term Provisions	1,810.05	1,466.97	790.2	831.9	639.77	4,366.72	119.54
Total Current Liabilities	**2,710.05**	**2,216.97**	**1,310.20**	**1,941.36**	**1,512.27**	**4,742.97**	**634.4**
Working Capital Gap	**14,803.36**	**12,513.86**	**6,035.12**	**3,976.56**	**3,217.79**	**1,458.78**	**2,205.52**
Source of Working Capital							
Proceeds from IPO	4,506.03	4,506.03	-	-	-	-	-
Internal Accrual + Borrowings	10,297.33	8,007.83	6,035.12	3,976.56	3,217.79	1,458.78	2,205.52
Total	**14,803.36**	**12,513.86**	**6,035.12**	**3,976.56**	**3,217.79**	**1,458.78**	**2,205.52**

Justification for Increase in working capital requirement:

With the implementation of the proposed assembling unit as outlined in the IPO, our company will be better positioned to optimize costs, deliver superior quality products that meet customer expectations, maintain tighter control over delivery schedules, reduce dependence on external manufacturers, and enhance both project timelines and profitability. Additionally, the IPO funds will strengthen the company's ability to meet existing demand, procure larger inventories through advance payments to suppliers, and secure additional discounts, thereby boosting profitability. These developments will enable the company to handle higher volumes of both domestic and export orders, with increased demand anticipated due to enhanced quality controls.

As of 10/01/2025, the company has an outstanding order book of ₹ 27,500.32 lakhs, comprising domestic orders worth ₹ 2,695.56 lakhs and export orders worth ₹ 24,804.76 lakhs. This clientele includes a mix of globally recognized corporations, renowned Indian industrial entities, and government-owned enterprises, reflecting the company's strong market presence and credibility. Their status and stature further underscore the issuer company's strong client portfolio, reliability, and trustworthiness as a business partner.

Assumption on working capital requirement:

We have estimated our working capital requirement based on the following holding periods which are as per industry standard:

Particulars	31-03-2027	31-03-2026	31-03-2025	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Sundry Debtors Holding period (In Days)	53	53	53	121	29	52	90
Inventory Holding Period (In Days)	32	32	31	52	20	13	39
Sundry Creditor Holding Period (In Days)	15	15	20	101	25	15	58

Justification for Holding Period:

Particulars	Details
Sundry Debtors	As per Restated financial statement and as discussed above, the revenue from operations has been increased from ₹4,159.14 lakhs in FY 2021-22 to ₹15,785.42 lakhs upto March 31, 2024 wherein sundry debtors have been increased from ₹1,025.28 lakhs to ₹1,236.99 lakhs for the same period. The sundry debtors holding period has been in the range of ~29 days to 90 days for the said period. During FY 2021-22, the holding period was around 90 days due to covid impact, which gradually reduced to 29 days in FY 2023-24. The sundry debtor holding periods depends on lots of factor like prevailing market condition, customers demand, season of the products etc. Sometimes, we have to also offer extra credit period to boost the topline or retain the clients or to get new clients as we also have to face intense competition among current large or unorganised small players engaged in this business. Sundry Debtors figures for Sep-24 and its holding period is not truly comparable with full financial years because of majority of sales happened in 2nd Qtr of Year. Going forward, we are estimating to maintain the Debtor holding period at levels of ~53 days from Fiscal 2025 onwards which is as per the affordability to increase the top line as well to retain present & future customers as per the demand and market practice.
Inventories	As per Restated financial statement and as discussed above due to increase in the turnover, the inventory level has been increased from ₹439.04 lakhs in FY 2021-22 to ₹860.27 lakhs upto March 31, 2024. The Engineering products needs an value addition to assembled along with functionality testing which depending upon project requirement. The inventory mainly consists of Raw Materials and its components and work-in-progress. Inventory levels are maintained by the Company depending upon the work order in hand and demand. The Inventory holding period has been in the range of ~13 days to 39 days for the said period. Going forward, we are estimating to maintain the Inventory holding period at levels of ~31-32 days from Fiscal 2025 onwards as per the prevailing market condition, order book in hand and estimated topline growth in future. By carrying inventory of the products, we will be able to acquire and service more customers which will have a positive impact on the top line and bottom line.
Sundry Creditors	As per Restated financial statement the sundry creditor level has been increased from ₹514.86 lakhs in FY 2021-22 to ₹872.50 lakhs upto March 31, 2024. Creditor holding periods depends upon the demand on the project requirement and prevailing market condition. Most of the payments to the OEM's are advance and PI payments, where as other purchases are with creditors holding period in the range of ~15 days to 58 days for the said period and going forward we are estimating to maintain the Creditor holding period at levels of ~15-20 days from Fiscal 2025 onwards as per the demand, the market practice and due to better expected cash flow and more bargaining power from the suppliers.
Cash and Cash Equivalents	We need to maintain a significant amount of Cash & Cash Equivalents which is offered to bank as collateral for non-fund based facility and to maintain day to day operation. The Key items under this head are Fixed Deposit lying with bank, accrued interest there on, Cash-in-hand and Bank Balance in current account. The increase in amount of Cash and Cash Equivalent is considered on account of increase in operations and turnover, and such amounts will be required to meet the margin money against the borrowings and Bank Guarantee, day-to-day expenses and to take advantage of situations of price fluctuations, etc.
Short Term Loans and Advances and Other Current Assets	The key items under this head are advance to suppliers and service providers/employees, balance with government authorities and Retention deposit with customers till the completion of the defect liability period etc.

Particulars	Details
	Going forward, we are expecting to more advance payment to the suppliers for uninterrupted supply and getting better margin from them and accordingly its expected to be increased in near future. Except this, we do not foresee any major change and expected to get proportionally increased due to increase in operations and turnover.
Other Current Liabilities and Short-Term Provisions	Other current liabilities include advance from customers, provisions for tax, statutory dues, expenses payable, etc. The major contribution of other current liabilities is provision for taxes and expenses payable. Going forward, we do not foresee any other major change and expected to get in proportion of increase in operations and turnover.

C. General Corporate Purpose:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., ₹ [●] Lakhs, which is [●]% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

(i) Strategic initiatives, partnerships, joint ventures and acquisitions;

(ii) Brand building and strengthening of promotional, marketing activities and advisory;

(iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions and

(iv) Meeting operating expenses, repayment of the borrowings, investment in the Companies, meeting working capital requirements including payment of interests, strengthening of our business development and marketing capabilities, meeting exigencies and contingencies which our company in the ordinary course of business may not foresee or any other purposes as approved by the Board, subject to compliance with the necessary regulatory provisions and provisions of Companies Act.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

D. Issue Related Expense:

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. The break-up of the same is as follows:

Activity	Estimated Expenses (Rs. In Lakhs)	% of Total Issue Expenses	% of the Total Issue Size
Book Running Lead Manager Fees, underwriting commission, including other intermediaries Fees, Printing and Distribution of Issue stationery	[●]	[●]	[●]
Regulators Including Stock Exchanges	[●]	[●]	[●]
Advertising, Selling, Marketing Expenses and Advisory	[●]	[●]	[●]
Total	[●]	[●]	[●]

Other than the listing fees, which will be paid by the Company, all costs, fees and expenses directly attributable to the Offer shall be borne by the Company and the Promoter Selling Shareholder, in proportion of gross proceeds received for the Fresh Issue and the Offered Shares in accordance with applicable law. All estimated Offer related expenses to be proportionately borne by the Promoter Selling Shareholder shall be deducted from the proceeds of the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Promoter Selling Shareholder. It is clarified that, if the offer is withdrawn or not completed for any reason whatsoever, all offer related expenses shall be shared between the Company and the Promoter Selling Shareholder in proportion to the number of Equity Shares offered by the Company through the Fresh Issue and the number of Offered Shares offered by the Promoter Selling Shareholder in the Offer for Sale, in accordance with Applicable Law.

Note:

- ***ASBA Bankers:*** *The SCSBs will be entitled to selling commission of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.*

- *The SCSBs would be entitled to processing fees of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.*

- ***SYNDICATE ASBA:*** *Other intermediaries (syndicate/sub-syndicate/registered broker/CRTAs/CDPs or for using 3-in-1 type account i.e. linked online trading, demat and bank account provided by some of the registered brokers) will be entitled to selling commission of ₹10/- (plus GST) per valid application form wherein the shares has been allotted for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.*

- ***Sponsor banks for UPI Mechanism*** *as registered with SEBI would be entitled to a processing fee of ₹ [●] (plus GST) (or mutually decided and agreed) per valid application form wherein the shares has been allotted, using the UPI mechanism for processing. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable laws.*

- *The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.*

- *Any expenses incurred towards IPO related expenses will be reimbursed/recouped out of the gross proceeds of the Issue.*

- *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

- *Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs/LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.*

Appraisal by Appraising Fund:

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

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Proceeds

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of proceeds for the objects of the issue.

Monitoring Utilization of Funds

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or Senior Management or companies promoted by the Promoters, except as may be required in the usual course of business and for the objects as stated above.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the shareholders by way of a special resolution. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time and applicable, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and rules there under of the jurisdiction where our Registered Office is situated. Our Promoters or controlling shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at such price and in such manner, as may be prescribed by SEBI, in this regard.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel or Senior Management, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors or Key Managerial Personnel or Senior Management, except in the normal course of business and in compliance with the applicable laws.

BASIS FOR ISSUE PRICE

The Price Band/ Issue Price shall be determined by our Company, the selling shareholder in consultation with the BRLM on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the quantitative and qualitative factors as described in this section. The face value of the Equity Shares is ₹1/- each and Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

Investors should also refer ***"Our Business", "Risk Factors"*** and ***"Financial Statements as Restated"*** beginning on page no. 130, 24 and 202 respectively, of the Draft Red Herring Prospectus, to have an informed view before making an investment decision. The trading price of the Equity Shares of Our Company may not be as per your expectation due to these risk factors and you may lose part of your investments.

QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are –

- Experienced promoters having deep knowledge to scale up the business
- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, ***"Our Business"***, beginning on page no. 130 of the Draft Red Herring Prospectus.

QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company's restated financial statements for the 6 (six) months ended on 30th September, 2024 financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For further details on financial information, refer chapter titled ***"Financial Statements as Restated"*** beginning on page no 202 of the Draft Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years as per Restated Financial Information:

Particulars	Basic & Diluted EPS (Rs.)		Weight
	With Retrospective Effect of Bonus & Split#	As per Restated (Book Value)	
Year ended March 31, 2022	0.06	12.98	1
Year ended March 31, 2023	0.03	5.90	2
Year ended March 31, 2024	1.63	341.51	3
Weighted Average*	***0.83***	***174.89***	
For six months period ended on September 30, 2024 (Not annualized)	***0.43***	***0.43***	

 # EPS has been calculated post adjustment of bonus issue on retrospective effect. On 17/05/2024, Company has allotted 96,00,000 Equity Shares of Face Value of ₹ 10/- each (9,60,00,000 Equity Shares of Face Value of ₹ 1/- each) as a Bonus Issue in the ratio of (20:1) i.e., Twenty Equity Shares for every One fully paid-up equity share held by existing shareholders. (Considering sub-division of shares from face value of ₹10/- each to face value of ₹1/- each dated 05/08/2024.

*a. **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share' issued by ICAI.*
*b. **Weighted average**: Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

*(For further details, please refer chapter **"Capital Structure"** and **"Financial statement as Restated"** beginning from page no. 72 and 202 respectively of the* Draft Red Herring Prospectus*)*

2. **Price to Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of Rs. 1/- each fully paid up**

Particulars	P/E Ratio at the Floor Price		P/E Ratio at the CAP Price	
	With Retrospective Effect of Bonus & Split#	As per Restated (Book Value)	With Retrospective Effect of Bonus & Split#	As per Restated (Book Value)
P/E ratio based on the Basic & Diluted EPS as on March 31, 2024	[●]	[●]	[●]	[●]
P/E ratio based on the Weighted Average EPS	[●]	[●]	[●]	[●]
P/E ratio based on the Basic & Diluted EPS for six months period ended September 30, 2024 (Not annualized)	[●]	[●]	[●]	[●]

 # Please refer the note above in point no. 1

Notes: The P/E Ratio of our company has been computed by dividing Issue Price with EPS

Industry P/E

Particulars	P/E Ratio*
Highest	31.79
Lowest	14.71
Average	23.25

** The industry high and low has been considered from the industry peer set provided later in this section.*

The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section

3. **Average Return on Net Worth (RoNW) for last 3 years as per the Company's Restated Financial Information:**

Particulars	RONW in %	Weight
Year ended March 31, 2022	12.37%	1
Year ended March 31, 2023	5.32%	2
Year ended March 31, 2024	75.51%	3
Weighted Average	***41.59%***	
For six months period ended on September 30, 2024 (Not annualized)	***16.71%***	

Weighted average: *Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. [(Return on Net Worth x Weight) for each year] / [Total of weights]*

Note: Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

4. **Net Assets Value:**

Particulars	With Retrospective Effect of Bonus & Split#	As per Restated (Book Value)
Net Asset Value per Equity Share as of March 31, 2024	2.15	452.30
For six months period ended on September 30, 2024 (Not annualized)	2.59	
Net Asset Value per Equity Share after the Issue	[●]	
Issue Price per equity share	[●]	

 # Please refer the note above in point no. 1

Note: *Net Asset Value per equity share represents "total assets less total liability as per the restated financial information as divided by the number of equities shares outstanding as at the end of year/period.*

5. Comparison with other listed companies/Industry peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only.

Name of Company	CMP (in ₹) **	Face Value (in ₹)	EPS Basic & Diluted	NAV per Equity Share	P/E Ratio	RONW (%)	Revenue from Operation (₹ in Lakhs)
Peer Group#							
Engineers India Limited – Standalone	201.84	5.00	6.35	41.12	31.79	15.45%	3,23,216.50
Konstelec Engineers Limited - Standalone	116.05	10.00	7.89	62.57	14.71	9.78%	21,531.53
Issuer Company							
Leapfrog Engineering Services Ltd.^	[●]	1.00	1.63	2.15	[●]	75.51%	15,785.42

#Considering the nature and size of business of the Company, the peers may not be exactly comparable. Hence a strict comparison is not possible. However, the above companies have been included for broader comparison.
^ Based on full completed financial year ended on March 31, 2024 on Restated basis
**Source for Peer Companies: Annual Reports and stock exchange data (figures as on March 31, 2024)*
***CMP as on 13/12/2024 on NSE for Peer Group and IPO price for Issuer Company*

6. Key Operational and Financial Performance Indicators:

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated 16/12/2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated 27/12/2024.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

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

6.1 Financial KPIs of Issuer Company:

₹ in lakhs except percentage and ratios

Particulars	30-09-2024*	31-03-2024	31-03-2023	31-03-2022
Total Income	3,208.71	16,287.69	10,537.88	4,228.90
Growth (%)	(80.30)%	54.56%	149.19%	67.76%
Revenue from Operation	3,131.22	15,785.42	10,417.86	4,159.14
EBITDA (Operating Profit)	612.34	1,973.07	100.51	246.74
EBITDA Margin (%)	19.56%	12.50%	0.96%	5.93%
PAT	435.45	1,639.27	28.30	62.29
Growth (%)	(73.44)%	5,691.64%	(54.56)%	(5.98)%
PAT Margin (%)	13.91%	10.38%	0.27%	1.50%
EPS (Basic & Diluted) - (As per end of Restated period)	0.43	341.51	5.90	12.98

Particulars	30-09-2024*	31-03-2024	31-03-2023	31-03-2022
EPS (Basic & Diluted) - (Post Bonus & Split with retrospective effect)	0.43	1.63	0.03	0.06
Total Borrowings	1,796.85	1,377.85	1,304.69	1,981.74
Total Net Worth (TNW)	2,606.48	2,171.03	531.76	503.46
ROCE%	15.16%	68.10%	10.95%	12.28%
RONW (%)	16.71%	75.51%	5.32%	12.37%
Debt Equity Ratio (Total Borrowing/TNW)	0.69	0.63	2.45	3.94

* Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in ***"Our Business"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page 130 and 262 respectively of Draft Red Herring Prospectus. All such KPIs have been defined consistently and precisely in ***"Definitions and Abbreviations"*** on page 2 of Draft Red Herring Prospectus.

6.2 Comparison of KPIs with listed Industry Peers:

₹ in lakhs except percentage and ratios

Particulars	Engineers India Limited - Standalone		
	31-03-2024	31-03-2023	31-03-2022
Total Income	3,45,676.46	3,45,293.88	3,00,713.09
Growth (%)	0.11%	14.83%	(8.86)%
Revenue from Operation	3,23,216.50	3,28,375.96	2,87,039.90
EBITDA (Operating Profit)	28,238.39	29,730.00	33,458.19
EBITDA Margin (%)	8.74%	9.05%	11.66%
PAT	35,699.06	34,215.18	34,440.66
Growth (%)	4.34%	(0.65)%	32.72%
PAT Margin (%)	11.04%	10.42%	12.00%
EPS (Basic & Diluted)	6.35	6.09	6.13
Total Borrowings (Lease Liability)	3,285.34	1,856.38	313.13
Total Net Worth (TNW)	2,31,127.89	2,10,566.05	1,92,504.66
RONW (%)	15.45%	16.25%	17.89%
Debt Equity Ratio (Total Borrowing/TNW)	0.01	0.01	0.00

₹ in lakhs except percentage and ratios

Particulars	Konstelec Engineers Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	21,740.33	15,512.89	10,777.08
Growth (%)	40.14%	43.94%	5.64%
Revenue from Operation	21,531.53	15,340.50	10,592.35
EBITDA (Operating Profit)	1,681.70	1,288.33	616.39
EBITDA Margin (%)	7.81%	8.40%	5.82%
PAT	923.66	718.54	376.57
Growth (%)	28.55%	90.81%	54.96%
PAT Margin (%)	4.29%	4.68%	3.56%
EPS (Basic & Diluted)	7.89	6.53	37.66
Total Borrowings	4,505.26	3,522.72	2,666.16
Total Net Worth (TNW)	9,447.65	6,203.92	5,524.10
RONW (%)	9.78%	11.58%	6.82%
Debt Equity Ratio (Total Borrowing/TNW)	0.48	0.57	0.48

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/period to compute the corresponding financial ratios.

Explanation for the Key Performance Indicators

1. *Total Income means Revenue from Operations and Other Incomes as appeared in the Restated Financial Statements;*
2. *Total Income Growth (%) is calculated as a percentage of Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.*
3. *Revenue from operations means Revenue from Operations as appearing in the Restated Financial Statements;*
4. *EBITDA (operating profit) means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;*
5. *EBITDA Margin is calculated as EBITDA (Operating Profit) as a percentage of revenue from operations;*
6. *PAT represents total profit after tax for the year / period;*
7. *PAT Growth (%) is calculated as a percentage of PAT of the relevant period minus PAT of the preceding period, divided by PAT of the preceding period.*
8. *PAT Margin is calculated as PAT divided by total revenue from operation;*
9. *Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year / period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities;*
10. *Total Borrowings are calculated as total of current and non-current borrowings;*
11. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations;*
12. *"ROCE%": is calculated by dividing total Capital Employed from EBIT i.e. Earnings before Interest and Taxation. Capital Employed is total of Shareholders equity and total debt (if any).*
13. *"RONW" is calculated Profit after Tax for the period / Net Worth*
14. *Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & noncurrent borrowings; total equity means sum of equity share capital and other equity;*

Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of issuer Company:

KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business
EBITDA (Operating Profit)	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
PAT	Profit After Tax (PAT) for the year / period provides information regarding the overall profitability of the business
PAT Growth (%)	Profit after tax growth provides information regarding the growth of the operational performance for the respective period
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business
EPS (Basic & Diluted) (%)	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net Worth	Net worth is used to track the book value and overall value of shareholders' equity
Return on Capital Employed (ROCE%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
RONW	RONW provides how efficiently our Company generates earnings for the equity shareholders of the Company.

KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
Debt Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers

Set forth the description of historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.

For evaluation of our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Consolidated Financial Information. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

7. Weighted Average Cost of Acquisition:

(a) The price per share of our Company (as adjusted for corporate actions e.g. split, bonus etc.) based on the primary/ new issue of shares (equity / convertible securities)

Other than as mentioned below, there have been no issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of the Draft Red Herring Prospectus, where such issuance 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)), in a single transaction or multiple transactions combined together over a span of 30 days.

(Amount in Rs.)

Date of Allotment	No. of Equity Shares	Face Value	Issue Price	Nature/Reason of Allotment	Nature of Consideration	Total Consideration
31-10-2024	63,84,000	1/-	24/-	Private Placement	Cash	15,32,16,000
Total	**63,84,000**					**15,32,16,000**
Weighted Average Cost of Acquisition (WACA) per Equity Share						**24.00**

(b) The price per share of our Company (as adjusted for corporate actions e.g. split, bonus etc.) based on the secondary sale / acquisition of shares (equity / convertible securities)

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 of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) The price per share of issuer Company based on the secondary sale / acquisition of shares (equity / convertible securities)

Type of Transactions	Weighted Average Cost of Acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ [●]/-)	Cap Price (i.e. ₹ [●]/-)
Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above.	24.00	[●]	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above.	N.A.^	N.A.^	N.A.^

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 8(b) above, in last 18 months from the date of the Draft Red Herring Prospectus.

8. The face value of Equity Shares of issuer Company is ₹ 1/- per Equity Share and the Issue Price of ₹ [●]/- per Equity Share is [●] times the face value.

9. Explanation for Issue Price / Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for six months period ended September 30, 2024 and for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022.

10. The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Book Running Lead Manager on the basis of the demand from investors for the Equity Shares through the Book Building Method and is justified in view of the above qualitive and quantitative parameters. Investors should read the abovementioned information along with *"**Risk Factors**"*, *"**Our Business**"* and *"**Restated Financial Information**"* beginning on pages 24, 130 and 202, respectively of the Draft Red Herring Prospectus, to have a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Leapfrog Engineering Services Limited
(Formerly known as Leapfrog Engineering Services Private Limited)
(hereinafter referred to as the "Issuer Company")
No. 496, Chaithanya Dhriti Rudresh, 6th Main,
8th Cross, Vijaya Bank Layout, Bannerghatta Road,
Bangalore, Karnataka, India – 560 076

Dear Sir / Madam,

Sub: Statement of possible Special tax benefit ('the Statement') available to Leapfrog Engineering Services Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

Ref: Proposed Initial Public Offering ("IPO") of Equity Shares by Leapfrog Engineering Services Limited ("The Issuer" or "The Company")

We refer to the proposed initial public offering of equity shares (the "**Offer**") of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "**GST Act**"), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the "**Taxation Laws**") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Draft Red-Herring Prospectus/ Red-herring Prospectus/ Prospectus ("**Offer Document**") for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.
We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future:
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company as required under the Securities and Exchange Board of India ("**SEBI**") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

We also authorise you to deliver a copy of this certificate to SEBI, ROC and the Stock Exchanges or any other regulatory authorities as required by law.

For **RAO ASSOCIATES**
Chartered Accountants
FRN: 003080S

Sd/-

CA Shilpa D Rao
Designation: Partner
Membership Number: 230596
UDIN: 25230596BMLWOV3871

Place: Bengaluru
Date: 27/12/2024

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

DIRECT TAXATION

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ("**the Act**"), as amended by Finance Act, 2024 i.e., applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

1. **SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY:**

   Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

   The Company has represented to us that it has opted for section 115BAA for the first time in the return of income filed for Financial Year 2019-20 (Assessment Year 2020-21) for which declaration in specified form (i.e., Form 10-IC) has been filed with income tax department.

2. **SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**
   There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Income Tax Act, 1961. Further, it may be noted that these are general tax benefits available to equity shareholders. Shareholders holding any other type of instrument are not covered below.

   i) **Dividend Income:** Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, deduction under Section 80M of the Income tax act would be available on fulfilling certain conditions.

   ii) **Tax on Long-Term Capital Gain:** As per Section 112A of the Income Tax Act, Long-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.
      (a) On long-term capital gains at the rate of 10% (Ten per cent) for any transfer which takes place before the 23^{rd} day of July, 2024; and
      (b) On long-term capital gains, at the rate of 12.50% (Twelve and one-half per cent) for any transfer which takes place on or after the 23rd day of July, 2024.

   iii) **Tax on Short-Term Capital Gain:** As per Section 111A of the Income Tax Act, Short-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below-
      a) At the rate of 15% (Fifteen per cent) for any transfer which takes place before the 23rd day of July, 2024; and

b) At the rate of 20% (Twenty per cent) for any transfer which takes place on or after the 23rd day of July, 2024.

iv) **Double Taxation Avoidance Agreement benefit:** In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit.

INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 / respective State Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("**GST law**"), the Customs Act, 1962, Customs Tariff Act, 1975 ("**Customs law**") and Foreign Trade Policy 2015-2020 ("**FTP**") (collectively referred as "**Indirect Tax**").

1. **SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY:**

i) Export of Goods and services under the GST law:

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies, which can either be utilised towards the discharge of GST liability in respect of domestic turnover or can seek the refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. We understand that the Company is undertaking exports of services without payment of tax under the cover of LUT.

ii) The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20):

- **Remission of Duties and Taxes on Exported Products (RoDTEP)**
  The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) effective from January 1, 2021 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. RoDTEP is a combination of the current Merchandise Export from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL). At present, embedded duties and taxes, which are not refunded under any other scheme, range from 1-3%. Under the scheme, rebate of these taxes will be given in the form of duty credit/electronic scrips which either can be utilised for the discharge of basic customs duties or sold to the third parties.

2. **SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

2. The above statement of Direct Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.

3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

4. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.

5. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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

For **RAO ASSOCIATES**
Chartered Accountants
FRN: 003080S

Sd/-

CA Shilpa D Rao
Designation: Partner
Membership Number: 230596
UDIN: 25230596BMLWOV3871

Place: Bengaluru
Date: 27/12/2024

SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from "www.ibef.org" and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN ECONOMY

INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for Q2 FY25 is estimated at Rs. 76.60 lakh crore (US$ 886.16 billion) with growth rate of 8.0%, compared to Rs. 70.90 lakh crore (US$ 820.22 billion) for Q2 FY24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-December 2024, India's exports stood at Rs. 27.56 lakh crore (US$ 318.96 billion), with Engineering Goods (27.32%), Petroleum Products (14.59%) and Electronic Goods (8.19%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing.

In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

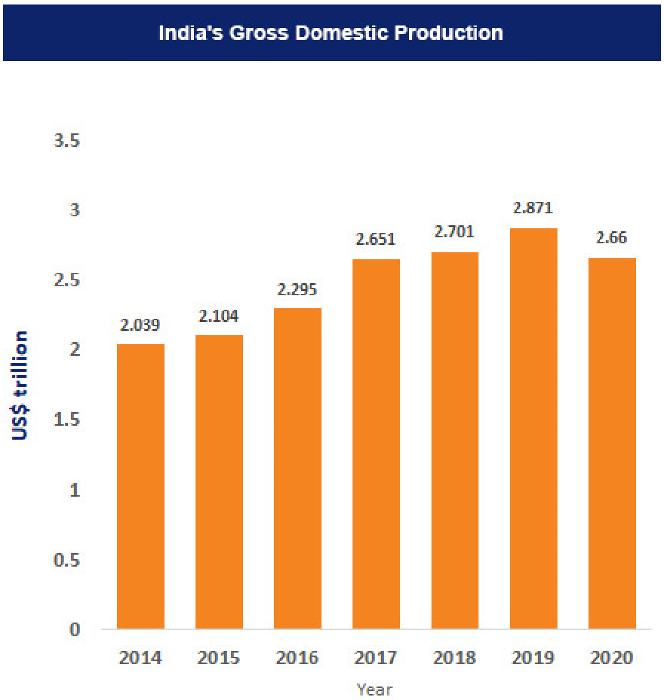
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

MARKET SIZE

Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US$ 484.27 billion) for Q2 of 2023-24. The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US$ 350 billion.

As many as 14 tech startups are expected to list in 2024 Fintech sector poised t o generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's Current Account Deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at Rs. 96,790 crore (US$ 11.2 billion) for Q2 of FY25 from Rs. 97,655 crore (US$ 11.3 billion) in Q2 of FY24 or 1.3% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US$ 1 trillion by 2030.

RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- According to a report by the State Bank of India (SBI), domestic investment announcements in India have experienced a substantial increase, exceeding Rs. 37 lakh crore (US$ 428.04 billion) in FY23 and FY24.
- According to data from the Directorate General of Civil Aviation (DGCA), India's domestic air passenger traffic increased by 6.12% in 2024, reaching a total of 161.3 million passengers. This growth follows a substantial YoY increase of 23.36% in 2023, attributed to the ongoing recovery from the pandemic.
- As of January 10, 2025, India's foreign exchange reserves stood at Rs. 53,80,402 crore (US$ 625.871 billion).
- In 1H 2024, India saw a total of US$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.77 lakh crore (US$ 20.45 billion) in December 2024.
- Between April 2000–September 2024, cumulative FDI equity inflows to India stood at Rs. 89.30 lakh crore (US$ 1,033.40 billion).
- In November 2024, the overall IIP (Index of Industrial Production) stood at 148.4. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 133.8, 147.4 and 184.1, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) – Combined inflation was 5.22% in December 2024 against 5.69% in December 2023.

- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US$ 13.89 billion) in India during January - (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- According to a report by Wood Mackenzie in January 2025, India, the United States, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US$ 383.93 billion) and Rs. 48.21 lakh crore (US$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the ‘Draft Carbon Credit Trading Scheme, 2023’.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of ‘Aatmanirbhar Bharat’ and ‘Local goes Global’.
- To enhance India’s manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister’s Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.

ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and High-Frequency Indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of FY24 highlighted the unwavering support the government gave to its capital expenditure, which, in FY24, stood 37.4% higher than the same period last year. In the Union Budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs. 11 lakh crore (US$ 133.51 billion) over Rs. 9.48 lakh crore (US$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

India’s is experiencing resilient growth despite the global pandemic. India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023.

With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

UNION BUDGET 2025-26

The Union Budget 2025-26 focuses on sustaining economic growth through strategic investments in infrastructure, innovation, and human capital while ensuring fiscal consolidation and enhancing welfare for all citizens. The Union Minister of Finance and Corporate Affairs, Ms. Nirmala Sitharaman, presented the Union Budget 2025-26 in the Parliament on February 01, 2025.

Key Highlights:

- Micro and Small Enterprises' credit guarantee cover will be increased from Rs. 5 crore (US$ 0.6 million) to Rs. 10 crore (US$ 1.2 million), enabling an additional Rs. 1.5 lakh crore (US$ 17.30 billion) in credit over the next five years.
- For Startups, the credit guarantee cover will be increased from Rs. 10 crore (US$ 1.2 million) to Rs. 20 crore (US$ 2.3 million), with a reduced guarantee fee of 1% for loans in 27 focus sectors.
- For well-run exporter MSMEs, term loans up to Rs. 20 crore (US$ 2.3 million) will be covered.
- Focus Product Scheme for Footwear & Leather Sectors is expected to create 22 lakh jobs, generate Rs. 4 lakh crore (US$ 46.14 billion) in turnover, and achieve exports worth over Rs. 1.1 lakh crore (US$ 12.69 billion).
- An outlay of Rs. 1.5 lakh crore (US$ 17.30 billion) is proposed for the 50-year interest-free loans to states for capital expenditure and incentives for reforms.
- Asset Monetization Plan 2025-30: The second plan for 2025-30 will aim to reinvest Rs. 10 lakh crore (US$ 115.34 billion) in new projects.
- Urban Challenge Fund: An Urban Challenge Fund of Rs. 1 lakh crore (US$ 11.53 billion) will be established, with a proposed allocation of Rs. 10,000 crore (US$ 1.15 million) for 2025-26.
- Maritime Development Fund: A Maritime Development Fund with a corpus of Rs. 25,000 crore (US$ 2.88 million) will be established.
- The Revised Estimate of the total receipts other than borrowings is Rs. 31.47 lakh crore (US$ 362.98 billion), of which the net tax receipts are Rs. 25.57 lakh crore (US$ 294.93 billion).
- The Revised Estimate of the total expenditure is Rs. 47.16 lakh crore (US$ 543.94 billion), of which the capital expenditure is about Rs. 10.18 lakh crore (US$ 117.42 billion).
- The total receipts other than borrowings and the total expenditure are estimated at Rs. 34.96 lakh crore (US$ 403.23 billion) and Rs. 50.65 lakh crore (US$ 584.20 billion), respectively.
- The net tax receipts are estimated at Rs. 28.37 lakh crore (US$ 327.22 billion). The fiscal deficit is estimated to be 4.4% of GDP.
- Net market borrowings from dated securities are estimated at Rs. 11.54 lakh crore (US$ 133.10 billion). The gross market borrowings are estimated at Rs. 14.82 lakh crore (US$ 170.93 billion).
- Social Welfare Surcharge on 82 tariff lines subject to a cess is proposed to be exempted.
- Revised BCD on knitted fabrics from 10% or 20% to 20% or Rs.115 (US$ 1.33) per kg, whichever is higher.
- No income tax payable up to Rs. 12 lakh (US$ 13,841), Rs. 12.75 lakh (US$ 14,706) for salaried taxpayers, considering the Rs. 75,000 (US$ 865) standard deduction.
- The government expects to forego revenue of about Rs. 1 lakh crore (US$ 11.53 billion) in direct taxes and Rs. 2,600 crore (US$ 299.9 million) in indirect taxes.
- Senior citizens' interest income threshold doubled from Rs. 50,000 (US$ 576.72) to Rs. 1 lakh (US$ 1,153).
- TDS on the rent threshold increased from Rs. 2.4 lakh (US$ 2,768) to Rs. 6 lakh (US$ 6,920).
- The remittance threshold under the Liberalized Remittance Scheme (LRS) is to be raised from Rs. 7 lakh (US$ 8,074) to Rs. 10 lakh (US$ 11,534).
- The start-up incorporation deadline was extended by five years (until April 1, 2030) to avail tax benefits.

PART – A

- **Budget theme:** India's economy is the fastest-growing among all major global economies. The country's development track record and significant structural reforms over the past decade have drawn global attention. Confidence in India's capabilities and potential has strengthened during this period. The next five years present a unique opportunity to realize the vision of 'Sabka Vikas,' fostering balanced growth across all regions.

- **10 development measures:** In this Budget, the proposed development measures span ten broad areas focusing on Garib, Youth, Annadata, and Nari.

    - Spurring Agricultural Growth and Productivity
    - Building Rural Prosperity and Resilience
    - Taking Everyone Together on an Inclusive Growth Path
    - Boosting Manufacturing and Furthering Make in India
    - Supporting MSMEs
    - Enabling Employment-led Development
    - Investing in people, economy, and innovation
    - Securing Energy Supplies
    - Promoting Exports
    - Nurturing Innovation
- **Transformative reforms:** This Budget aims to initiate transformative reforms across six domains. These will augment growth potential and global competitiveness during the next five years. The domains are:
    - Taxation
    - Power Sector
    - Urban Development
    - Mining
    - Financial Sector
    - Regulatory Reforms
- **Four powerful engines:** With the help of reforms as the fuel, inclusivity as the guiding spirit, and 'Viksit Bharat' as the destination, this budget has included four powerful engines:
    - Agriculture
    - MSME
    - Investment
    - Exports

Engine 1: Agriculture

- **Prime Minister Dhan-Dhaanya Krishi Yojana:** Developing Agri Districts Programme: The Government, inspired by the success of the Aspirational Districts Programme, will launch the 'Prime Minister Dhan-Dhaanya Krishi Yojana' in partnership with states. Targeting 100 districts with low productivity and credit access, the initiative will integrate existing schemes to enhance agricultural productivity, promote sustainable farming, improve irrigation, expand post-harvest storage, and facilitate credit availability. The programme is expected to benefit 1.7 crore farmers.
- **Building Rural Prosperity and Resilience:** The 'Rural Prosperity and Resilience' programme will be launched in partnership with states to address under-employment in agriculture through skilling, investment, and technology. It aims to strengthen the rural economy, ensuring migration is a choice, not a necessity. The initiative will focus on rural women, youth, small and marginal farmers, and landless families, incorporating global best practices and seeking support from multilateral development banks. Phase-1 will cover 100 developing agricultural districts.
- **Aatmanirbharta in Pulses:** The Government will launch a six-year Mission for Aatmanirbharta in Pulses, focusing on Tur, Urad, and Masoor. NAFED and NCCF will procure these pulses for four years from registered farmers under formal agreements.
- **Comprehensive Programme for Vegetables & Fruits:** The Government will launch a programme to boost vegetable, fruit, and Shree-Anna production, supply, processing, and pricing, with farmer-producer organizations and cooperatives ensuring implementation.
- **Makhana Board in Bihar:** A Makhana Board will be established in Bihar to improve the production, processing, and marketing of makhana. Farmers will be organized into FPOs, with the Board offering training and ensuring access to relevant Government schemes.

- **National Mission on High-Yielding Seeds:** This mission will focus on strengthening research, developing high-yield, pest-resistant, climate-resilient seeds, and ensuring the commercial availability of over 100 new seed varieties.
- **Fisheries:** India is the second-largest global fish producer, with seafood exports valued at ₹60,000 crore. To unlock the marine sector's potential, the Government will implement a framework for sustainable fisheries in the Indian Exclusive Economic Zone and High Seas, focusing on the Andaman & Nicobar and Lakshadweep Islands.
- **Mission for Cotton Productivity:** The Government will launch a Mission for Cotton Productivity to enhance cotton farming productivity and sustainability over the next five years, promoting extra-long staple cotton. Farmers will receive advanced scientific and technological support, helping to increase their incomes and ensure a steady supply of quality cotton for India's traditional textile sector, aligned with the 5F vision.
- **Enhanced Credit through KCC:** The Kisan Credit Card (KCC) scheme provides short-term loans to 7.7 crore farmers, fishermen, and dairy farmers. Under the Modified Interest Subvention Scheme, the loan limit will be increased from Rs. 3 lakh (US$ 3,460) to Rs. 5 lakh (US$ 5,767) for KCC loans.
- **Urea Plant in Assam:** To achieve self-sufficiency in urea production, the Government reopened three dormant urea plants in the Eastern region. Additionally, a new plant with an annual capacity of 12.7 lakh metric tons will be established in Namrup, Assam, to enhance urea supply further.
- **India Post as a Catalyst for the Rural Economy:** India Post, with 1.5 lakh rural post offices, complemented by the India Post Payment Bank and a vast network of 2.4 lakh Dak Sevaks, will be repositioned to act as a catalyst for the rural economy.
- **Support to NCDC:** The government will provide support to NCDC in its lending operations for the cooperative sector.

Engine 2: MSME

- **Revision in classification criteria for MSMEs:** India has over one crore registered MSMEs, employing 7.5 crore people and contributing 36% of manufacturing and 45% of exports. To enhance their efficiency, technological advancements, and access to capital, the Government will double the investment and turnover limits for MSME classification. This will boost their growth potential and create more employment opportunities for the youth.
- **Significant enhancement of credit availability with guarantee cover:** The credit guarantee cover will be increased as follows:
  - For Micro and Small Enterprises, from Rs. 5 crore (US$ 0.6 million) to Rs.10 crore (US$ 1.2 million), enabling an additional Rs. 1.5 lakh crore (US$ 17.30 billion) in credit over the next five years.
  - For Startups, from Rs. 10 crore (US$ 1.2 million) to Rs. 20 crore (US$ 2.3 million), with a reduced guarantee fee of 1% for loans in 27 focus sectors crucial for Atmanirbhar Bharat.
  - For well-run exporter MSMEs, term loans up to Rs. 20 crore (US$ 2.3 million) will be covered.
- **Credit Cards for Micro Enterprises:** The government will introduce customized Credit Cards with a Rs. 5 lakh (US$ 5,767) limit for micro-enterprises registered on the Udyam portal. In the first year, 10 lakh such cards will be issued.
- **Fund of Funds for Startups:** The Alternate Investment Funds (AIFs) for startups have secured over Rs. 91,000 crore (US$ 10.50 billion) in commitments, supported by a government-backed Fund of Funds with a contribution of Rs. 10,000 crore (US$ 1.15 billion).
- **Scheme for First-time Entrepreneurs:** A new scheme will be launched to support five lakh first-time women, Scheduled Castes, and Scheduled Tribes entrepreneurs, providing term loans up to Rs. 2 crore (US$ 0.2 million) over the next five years. The scheme will draw from the successful Stand-Up India initiative and include online capacity-building for entrepreneurship and managerial skills.
- **Measures for Labour-Intensive Sectors:** To promote employment and entrepreneurship opportunities in labour-intensive sectors, the Government will undertake specific policy and facilitation measures.
- **Focus Product Scheme for Footwear & Leather Sectors:** A focus product scheme will be implemented to improve the productivity, quality, and competitiveness of India's footwear and leather sector. The scheme will support design capacity, component manufacturing, and machinery for non-leather footwear in addition to leather footwear and products. It is expected to create 22 lakh jobs, generate Rs. 4 lakh crore (US$ 46.14 billion) in turnover, and achieve exports worth over Rs. 1.1 lakh crore (US$ 12.69 billion).
- **Measures for the Toy Sector:** Building on the National Action Plan for Toys, a scheme will be launched to make India a global hub for toys. The scheme will focus on developing clusters, skills, and a manufacturing ecosystem to produce high-quality, unique, innovative, and sustainable toys, representing the "Made in India" brand.
- **Support for Food Processing:** In line with the commitment to 'Purvodaya,' a National Institute of Food Technology, Entrepreneurship, and Management will be established in Bihar. This will boost food processing activities in the Eastern region, resulting in enhanced income for farmers through value addition and providing skilling, entrepreneurship, and employment opportunities for the youth.

- **Manufacturing Mission:** Furthering "Make in India": The Government will set up a National Manufacturing Mission covering small, medium, and large industries for furthering "Make in India" by providing policy support, execution roadmaps, governance and monitoring framework for central ministries and states.
- **Clean Tech Manufacturing:** The Mission will support Clean Tech manufacturing, focusing on enhancing domestic value addition and building the ecosystem for solar PV cells, EV batteries, motors, controllers, electrolyzers, wind turbines, high-voltage transmission equipment, and grid-scale batteries, in line with the commitment to climate-friendly development.

Engine 3: Investment

- **Investing in People**
    - **Saksham Anganwadi and Poshan 2.0:** The Saksham Anganwadi and Poshan 2.0 programme provides nutritional support to over eight crore children, one crore pregnant women and lactating mothers, and 20 lakh adolescent girls in aspirational districts and the northeast. The cost norms for nutritional support will be appropriately increased.
    - **Atal Tinkering Labs:** 50,000 Atal Tinkering Labs will be set up in Government schools in the next five years to cultivate the spirit of curiosity and innovation and foster a scientific temper among young minds.
    - **Broadband Connectivity to Government Secondary Schools and PHCs:** Broadband connectivity will be provided to all Government secondary schools and primary health centres in rural areas under the Bharatnet project.
    - **Bharatiya Bhasha Pustak Scheme:** The government proposes to implement this scheme to provide digital-form Indian language books for school and higher education, aiming to help students understand their subjects better.
    - **National Centres of Excellence for Skilling:** Building on the July 2024 Budget initiative, five National Centres of Excellence for Skilling will be established with global expertise and partnerships to equip youth with the skills needed for "Make for India, Make for the World" manufacturing. These partnerships will focus on curriculum design, trainer training, skills certification, and periodic reviews.
    - **Expansion of Capacity in IITs:** The number of students in 23 IITs has doubled from 65,000 to 1.35 lakh over the past 10 years. Additional infrastructure will be created in the five IITs established after 2014 to accommodate 6,500 more students, and the hostel and infrastructure capacity at IIT Patna will also be expanded.
    - **Centre of Excellence in AI for Education:** A Centre of Excellence in Artificial Intelligence for Education will be established with a total outlay of Rs. 500 crore (US$ 57.7 million), building on the three Centres announced in 2023 for agriculture, health, and sustainable cities.
    - **Expansion of medical education:** The Government has increased UG and PG medical education seats by 130%, adding nearly 1.1 lakh seats over the past 10 years. In the coming year, 10,000 additional seats will be introduced in medical colleges and hospitals, to add 75,000 seats over the next five years.
    - **Day Care Cancer Centres in all District Hospitals:** The Government will facilitate the setting up of Day Care Cancer Centres in all district hospitals in the next three years. 200 Centres will be established in 2025-26.
    - **Strengthening urban livelihoods:** The Government will implement a scheme for the socio-economic upliftment of urban workers, focusing on improving their incomes, ensuring sustainable livelihoods, and enhancing their quality of life.
    - **PM SVANidhi:** The PM SVANidhi scheme, which has benefited over 68 lakh street vendors by providing relief from high-interest informal loans, will be revamped. The new version will offer enhanced loans from banks, UPI-linked credit cards with a Rs. 30,000 (US$ 346.03) limit, and capacity-building support.
    - **Social Security Scheme for Welfare of Online Platform Workers:** Recognizing the contribution of gig workers to the online platform economy, the government will provide them with identity cards and register them on the e-Shram portal. They will also receive healthcare under the PM Jan Arogya Yojana, benefiting nearly one crore gig workers.

- **Investing in the Economy**
    - **Public Private Partnership in Infrastructure:** Each infrastructure-related ministry will develop a 3-year pipeline of projects for implementation in PPP mode. States will also be encouraged to do the same and can seek support from the India Infrastructure Project Development Fund (IIPDF) scheme to prepare PPP proposals.
    - **Support to States for Infrastructure:** An outlay of Rs. 1.5 lakh crore (US$ 17.30 billion) is proposed for the 50-year interest-free loans to states for capital expenditure and incentives for reforms.
    - **Asset Monetization Plan 2025-30:** Building on the success of the first Asset Monetization Plan announced in 2021, the second plan for 2025-30 will be launched, aiming to reinvest Rs. 10 lakh crore (US$ 115.34 billion) in new projects. Regulatory and fiscal measures will be adjusted to support the plan.

- **Jal Jeevan Mission:** Since 2019, 15 crore households representing 80% of India's rural population have gained access to potable tap water. To achieve 100% coverage, the Mission will be extended until 2028 with an enhanced outlay. The mission will focus on the quality of infrastructure and O&M of rural piped water supply schemes through “Jan Bhagidhari.” Separate MoUs will be signed with states/UTs to ensure sustainability and citizen-centric water service delivery.
- **Urban Sector Reforms:** Building on the July Budget proposals, urban sector reforms related to governance, municipal services, urban land, and planning will be incentivized.
- **Urban Challenge Fund:** The Government will establish an Urban Challenge Fund of Rs. 1 lakh crore (US$ 11.53 billion) to implement proposals for ‘Cities as Growth Hubs,’ ‘Creative Redevelopment of Cities,’ and ‘Water and Sanitation’ announced in the July Budget. The fund will finance up to 25% of the cost of bankable projects, with at least 50% funded through bonds, bank loans, and PPPs. An allocation of Rs. 10,000 crore (US$ 1.15 billion) is proposed for 2025-26.
- **Power Sector Reforms:** The Government will incentivize electricity distribution reforms and the augmentation of intra-state transmission capacity by states to improve the financial health and capacity of electricity companies. States will be allowed additional borrowing of 0.5% of GSDP, contingent on implementing these reforms.
- **Nuclear Energy Mission for Viksit Bharat:** The development of at least 100 GW of nuclear energy by 2047 is crucial for India's energy transition. To foster an active partnership with the private sector, amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be pursued. A Nuclear Energy Mission for research and development of Small Modular Reactors (SMR), with an outlay of Rs. 20,000 crore (US$ 2.31 billion), will be established. At least five indigenously developed SMRs are expected to be operational by 2033.
- **Shipbuilding:** The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages, including Credit Notes for shipbreaking in Indian yards to promote the circular economy. Large ships above a specified size will be included in the infrastructure harmonized master list (HML). Shipbuilding Clusters will be supported to expand the range, categories, and capacity of ships, with additional infrastructure facilities, skilling, and technology to develop the entire ecosystem.
- **Maritime Development Fund:** A Maritime Development Fund with a corpus of Rs. 25,000 crore (US$ 2.88 million) will be established to provide long-term financing for the maritime industry, promoting distributed support and competition. The Government will contribute up to 49%, with the remaining funds mobilized from ports and the private sector.
- **UDAN - Regional Connectivity Scheme:** The UDAN scheme has enabled 1.5 crore middle-class people to travel faster, connecting 88 airports and operationalizing 619 routes. Building on this success, a modified UDAN scheme will be launched to enhance regional connectivity to 120 new destinations and carry four crore passengers in the next 10 years. The scheme will also support helipads and smaller airports in hilly, aspirational, and North-East region districts.
- **Greenfield Airport in Bihar:** Greenfield airports will be facilitated in Bihar to meet the state's future needs, alongside the expansion of Patna airport and the development of a brownfield airport at Bihta.
- **Western Koshi Canal Project in Mithilanchal:** Financial support will be provided for the Western Koshi Canal ERM Project benefitting a large number of farmers cultivating over 50,000 hectares of land in the Mithilanchal region of Bihar.
- **Mining Sector Reforms:** Mining sector reforms, including those for minor minerals, will be encouraged through the sharing of best practices and the institution of a State Mining Index. A policy for the recovery of critical minerals from tailings will be brought out.
- **SWAMIH Fund 2:** SWAMIH has completed 50,000 dwelling units in stressed housing projects, with keys handed over to homebuyers. In 2025, an additional 40,000 units will be completed, aiding middle-class families. Building on this, SWAMIH Fund 2 will be set up with a Rs. 15,000 crore (US$ 1.73 billion) fund, involving the Government, banks, and private investors, aiming to rapidly complete another 1 lakh units.
- **PM Gati Shakti Data for Private Sector:** To further PPPs and assist the private sector in project planning, access to relevant data and maps from the PM Gati Shakti portal will be provided.
- **Tourism for employment-led growth:** The top 50 tourist destinations in India will be developed in partnership with states, with key infrastructure supported by the states' land and hotels included in the infrastructure HML. Employment-led growth will be facilitated through skill-development programs, MUDRA loans for homestays, enhanced travel connectivity, performance-linked incentives for states in destination management, and streamlined e-visa facilities. A special focus will be placed on destinations related to Lord Buddha’s life, further boosting spiritual tourism and employment opportunities.
- **Medical Tourism and Heal in India:** Medical Tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms.

- **Investing in Innovation**
    - **Research, Development and Innovation:** To implement private sector driven Research, Development and Innovation initiative announced in the July Budget, the government has now allocated Rs. 20,000 crore (US$ 2.31 billion).
    - **Deep Tech Fund of Funds:** A Deep Tech Fund of Funds will also be explored to catalyze the next generation startups as a part of this initiative.
    - **PM Research Fellowship:** In the next five years, under the PM Research Fellowship scheme, the government will provide ten thousand fellowships for technological research in IITs and IISc with enhanced financial support.
    - **Gene Bank for Crops Germplasm:** The 2nd Gene Bank with 10 lakh germplasm lines will be set up for future food and nutritional security.
    - **National Geospatial Mission:** The National Geospatial Mission will be launched to develop foundational geospatial infrastructure and data. Using PM Gati Shakti, the mission aims to modernize land records, improve urban planning, and enhance the design of infrastructure projects.
    - **Gyan Bharatam Mission:** The Gyan Bharatam Mission will focus on surveying, documenting, and conserving India's manuscript heritage in collaboration with academic institutions, museums, libraries, and private collectors. The mission aims to cover over one crore manuscripts and establish a National Digital Repository of Indian knowledge systems to promote knowledge sharing.

Engine 4: Exports

- **Export Promotion Mission:** The Government will establish an Export Promotion Mission with sectoral and ministerial targets led by the Ministries of Commerce, MSME, and Finance. This mission will improve access to export credit, cross-border factoring support, and assist MSMEs in addressing non-tariff barriers in international markets.
- **BharatTradeNet:** The Government will establish BharatTradeNet (BTN), a digital public infrastructure for international trade. BTN will serve as a unified platform for trade documentation and financing solutions, complementing the Unified Logistics Interface Platform. It will be aligned with global practices.
- **Support for integration with Global Supply Chains:** The Government will support the development of domestic manufacturing capacities to integrate the economy with global supply chains, identifying sectors based on objective criteria. Facilitation groups, involving senior officers and industry representatives, will be formed for select products and supply chains. Additionally, the Government will help the domestic electronic equipment industry leverage Industry 4.0 opportunities, which require high skills and talent, benefiting the youth.
- **National Framework for GCC:** A national framework will be formulated as guidance for states to promote Global Capability Centres in emerging tier two cities.
- **Warehousing facility for air cargo:** The Government will facilitate the upgradation of infrastructure and warehousing for air cargo, including high value perishable horticulture produce. Cargo screening and customs protocols will be streamlined and made user-friendly.

Reforms as the Fuel

- **Tax Reforms:** Over the past decade, the Government has introduced several taxpayer-friendly reforms, including faceless assessment, a taxpayer charter, faster returns, self-assessment of nearly 99% returns, and the ‘Vivad se Vishwas’ scheme. Building on these efforts, the Government reaffirms its commitment to a "trust first, scrutinize later" approach for the tax department.

Financial Sector Reforms and Development

- **FDI in Insurance Sector:** The Foreign Direct Investment (FDI) limit for the insurance sector will be increased from 74% to 100%. This higher limit will apply to companies that invest the entire premium in India. Additionally, the existing regulations and conditions for foreign investment will be reviewed and simplified.
- **Expanding Services of India Post Payment Bank:** India Post Payment Bank's services will be deepened and expanded in rural areas.
- **Credit Enhancement Facility by NaBFID:** NaBFID will set up a ‘Partial Credit Enhancement Facility’ for corporate bonds for infrastructure.
- **Grameen Credit Score:** Public Sector Banks will develop a ‘Grameen Credit Score’ framework to serve the credit needs of SHG members and people in rural areas.
- **Pension Sector:** A forum for regulatory coordination and development of pension products will be set up.

- **KYC Simplification:** The revamped Central KYC Registry will be launched in 2025 to simplify the KYC process. A streamlined system for periodic updates will also be implemented to ensure smoother operations.
- **Merger of Companies:** Requirements and procedures for speedy approval of company mergers will be rationalized. The scope for fast-track mergers will also be widened and the process made simpler.
- **Bilateral Investment Treaties:** In 2024, India signed Bilateral Investment Treaties (BIT) with two countries, as proposed in the Interim Budget. To attract sustained foreign investment and promote the "first develop India" approach, the current model BIT will be revamped to be more investor-friendly.
- **Regulatory Reforms:** Over the last decade, the government has shown unwavering commitment to "Ease of Doing Business" across financial and non-financial sectors. Determined to keep pace with technological and global policy advancements, the government will introduce a light-touch regulatory framework based on principles and trust. This will boost productivity and employment. As part of this, outdated regulations will be updated, and four specific measures will be proposed to create a modern, flexible, people-friendly, and trust-based regulatory framework for the twenty-first century.
  - **High Level Committee for Regulatory Reforms:** A High-Level Committee for Regulatory Reforms will be established to review all non-financial sector regulations, certifications, licenses, and permissions. The committee will make recommendations within a year to strengthen trust-based economic governance and improve the "ease of doing business," focusing on inspections and compliances. States will be encouraged to participate in this initiative.
  - **Investment Friendliness Index of States:** An Investment Friendliness Index of States will be launched in 2025 to further the spirit of competitive cooperative federalism.
  - **FSDC Mechanism:** Under the Financial Stability and Development Council, a mechanism will be set up to evaluate impact of the current financial regulations and subsidiary instructions. It will also formulate a framework to enhance their responsiveness and development of the financial sector.
  - **Jan Vishwas Bill 2.0:** In the Jan Vishwas Act 2023, more than 180 legal provisions were decriminalized. The government will now bring up the Jan Vishwas Bill 2.0 to decriminalize more than 100 provisions in various laws.
  - **Fiscal Policy:** The government remains committed to fiscal consolidation, aiming to keep the fiscal deficit each year in a way that ensures the Central Government debt declines as a percentage of GDP.
- **Revised Estimates 2024-25**
  - The Revised Estimate of the total receipts other than borrowings is Rs. 31.47 lakh crore (US$ 362.98 billion), of which the net tax receipts are Rs. 25.57 lakh crore (US$ 294.93 billion). The Revised Estimate of the total expenditure is Rs. 47.16 lakh crore (US$ 543.94 billion), of which the capital expenditure is about Rs. 10.18 lakh crore (US$ 117.42 billion).
  - The Revised Estimate of the fiscal deficit is 4.8% of GDP.
- **Budget Estimates 2025-26**
  - Coming to 2025-26, the total receipts other than borrowings and the total expenditure are estimated at Rs. 34.96 lakh crore (US$ 403.23 billion) and Rs. 50.65 lakh crore (US$ 584.20 billion) respectively. The net tax receipts are estimated at Rs. 28.37 lakh crore (US$ 327.22 billion).
  - The fiscal deficit is estimated to be 4.4% of GDP.
  - To finance the fiscal deficit, the net market borrowings from dated securities are estimated at Rs. 11.54 lakh crore (US$ 133.10 billion). The balance financing is expected to come from small savings and other sources. The gross market borrowings are estimated at Rs. 14.82 lakh crore (US$ 170.93 billion).

PART – B

INDIRECT TAXES

Proposals for revision in custom duties were designed to rationalize tariff structure to address duty inversion, support domestic manufacturing and value addition, promote exports and facilitate trade, and provide relief to the common people.

Rationalization of Customs Tariff Structure for Industrial Goods

- Proposal for removal of seven additional tariff rates (after seven were removed in 2023-24 Budget), leaving only eight remaining tariff rates, including the ‘zero’ rate.
- Applying appropriate cess to maintain effective duty incidence, with a marginal reduction in some cases.
- Social Welfare Surcharge on 82 tariff lines subject to a cess is proposed to be exempted.

Sector-specific customs duty proposals

- **Relief on Import of Drugs/Medicines**
  - 36 lifesaving drugs and medicines are proposed to be added to the Basic Customs Duty (BCD) exemption list.
  - Six lifesaving medicines are proposed to be added to the concessional 5% BCD list.
  - Full exemption and concessional duty will apply to bulk drugs used in manufacturing these medicines.
  - Expansion of Patient Assistance Programmes: Proposal for the addition of 37 medicines and 13 new programmes to the fully exempt BCD list for free patient distribution.

- **Critical Minerals**
  - Proposal for full BCD exemption on cobalt powder, waste/scrap of lithium-ion battery, lead, zinc, and 12 more critical minerals. This will aid in securing availability for manufacturing and creating jobs.
- **Textiles**
  - Full BCD exemption for two more types of shuttle-less looms to promote the production of agro-textiles, medical textiles, and geo-textiles.
  - Revised BCD on knitted fabrics from 10% or 20% to 20% or Rs.115 (US$ 1.33) per kg, whichever is higher.
- **Electronic Goods**
  - Increase in BCD on Interactive Flat Panel Display (IFPD) from 10% to 20%.
  - Reduction of BCD on Open Cell and other components to 5%.
  - Exemption of BCD on parts of Open Cells for LCD/LED TVs (previously reduced from 5% to 2.5%).
- **Lithium-Ion Battery Manufacturing**
  - An additional 35 capital goods for EV battery manufacturing and 28 for mobile phone battery manufacturing are proposed to be exempted from customs duty, to promote domestic lithium-ion battery production for both sectors.
- **Shipping Sector**
  - Proposal for a 10-year extension of BCD exemption on raw materials, components, and consumables for shipbuilding and a similar exemption for ship breaking to enhance competitiveness.
- **Telecommunication**
  - Proposal for reduction of BCD on Carrier Grade Ethernet Switches from 20% to 10% to align with Non-Carrier Grade switches.

Key proposals for export promotion

- **Handicraft Goods**
  - Extension of export time from six months to one year (extendable by three more months if needed).
  - Addition of nine duty-free inputs for handicraft exports.
- **Leather Sector**
  - Full BCD exemption on Wet Blue leather to promote domestic value addition and employment.
  - Removal of 20% export duty on crust leather to benefit small tanners.
- **Marine Products**
  - Reduction of BCD on Frozen Fish Paste (Surimi) from 30% to 5% to boost exports.
  - Reduction of BCD on Fish Hydrolysate from 15% to 5% to aid shrimp and fish feed production.
- **Domestic MROs for Railway Goods**
  - Extension of export time for foreign-origin railway goods imported for repairs from six months to one year (further extendable by one more year).
  -

Proposals on trade facilitation measures

- Introduction of a two-year time limit (extendable by one year) for finalizing provisional assessments.
- New provision allowing importers/exporters to voluntarily declare material facts and pay duty with interest without penalty (if no audit/investigation has started).
- Extension of end-use period for imported inputs from six months to one year.
- Reduction of compliance burden by replacing monthly statements with quarterly statements for importers.

DIRECT TAXES

- The upcoming new income-tax bill will align with the spirit of "Nyaya", similar to the 'Bharatiya Nyaya Sanhita' reforms in criminal law. It will be simpler, clearer, and more concise, reducing the number of chapters and words by nearly half.
- The government aims to enhance tax certainty, minimize litigation, and improve ease of TDS/TCS Rationalization for Simplification.
- **Proposals For Personal Income Tax**
  - Tax Exemption Limit Increased: No income tax payable up to Rs. 12 lakh (US$ 13,841), Rs. 12.75 lakh (US$ 14,706) for salaried taxpayers, considering the Rs. 75,000 (US$ 865) standard deduction.
  - No changes were made in the tax slabs under the old regime.
  - As a result of these proposals, the Government expect to forego revenue of about Rs. 1 lakh crore (US$ 11.53 billion) in direct taxes and Rs. 2,600 crore (US$ 299.9 million) in indirect taxes.

- **Proposals For TDS Simplification**
  - Fewer TDS rates and thresholds for better clarity and higher TDS exemption limits:
    - Senior citizens' interest income threshold doubled from Rs. 50,000 (US$ 576.72) to Rs.1 lakh (US$ 1,153).
    - TDS on rent threshold increased from Rs. 2.4 lakh (US$ 2,768) to Rs. 6 lakh (US$ 6,920).
- The remittance threshold under the Liberalized Remittance Scheme (LRS) is to be raised from Rs. 7 lakh (US$ 8,074) to Rs.10 lakh (US$ 11,534).
- TCS on education-related remittances is proposed to be removed for loans from specified financial institutions.
- Delays in TCS payments up to the due date of filing statements are proposed to be decriminalized, similar to TDS rules.
- **Proposals For Encouraging Voluntary Compliance**
  - The time limit for filing updated tax returns is proposed to be extended from two years to four years to encourage voluntary compliance.
- **Proposals For Reducing Compliance Burden**
  - Proposal to increase registration period from five years to 10 years for small charitable organizations. Further, minor defaults in applications will no longer result in disproportionate penalties.
  - Taxpayers can now claim "Nil" annual value for two self-occupied (earlier one) properties without conditions.
- **Proposals to enhance Ease of Doing Business**
  - A three-year block period scheme introduced for determining arm's length pricing in international transactions.
  - Expanding safe harbour rules to reduce litigation and Increase tax certainty in international taxation.
  - Exemption on withdrawals from old NSS accounts where interest is no longer payable (effective August 29, 2024).
  - NPS Vatsalya accounts to receive similar tax treatment as regular NPS accounts.
- **Proposals to Promote Employment and Investment**
  - Presumptive taxation for non-residents providing services to electronics manufacturing companies. Further, safe harbour provisions introduced for non-residents storing components for electronics manufacturing.
  - Tonnage tax benefits extended to inland vessels under the Indian Vessels Act, 2021, supporting inland water transport.
  - Start-up incorporation deadline extended by five years (until April 1, 2030) to avail tax benefits.
  - New tax incentives for ship-leasing units, insurance offices, and treasury centers of global firms in IFSC. Also, cut-off date for tax benefits extended by five years (until March 31, 2030).
  - Tax certainty provided on gains from securities for Category I & II AIFs investing in infrastructure and other sectors.
  - The deadline for Sovereign Wealth Funds and Pension Funds to invest in the infrastructure sector and avail tax benefits is extended by five years, until March 31, 2030.

INFRASTRUCTURE SECTOR IN INDIA

INTRODUCTION

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US $26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Mr. Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to the nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

The infrastructure sector is a key driver of the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from the Government for initiating policies that would ensure the time-bound creation of world-class infrastructure in the country. The infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure, and construction development projects.

To meet India's aim of reaching a US$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of the infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water, and irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

MARKET SIZE

In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs. 11.11 lakh crore (US$ 133.86 billion), which would be 3.4 % of GDP. As per the Interim Budget 2023-24, a capital outlay of Rs. 2.55 lakh crore (US$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

Starting with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under the development phase with an estimated investment of US$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 are in the roads and bridges sub-sector.

During FY 2023-24, Total revenue of Indian Railways stands at US$ 28.89 billion (Rs 2.40 Lakh Crore) as on 15th March. Last year on 15th March, total Revenue was US$ 26.84 billion (Rs 2.23 Lakh Crore).

During the month of June 2024, originating freight loading of 135.46MT has been achieved against loading of 123.06 MT in June 2023.

India's logistics market is estimated to be US$ 317.26 billion in 2024 and is expected to reach US$ 484.43 billion by 2029, growing at a CAGR of 8.8%.

According to a Cushman & Wakefield report, India's real estate market saw a surge in investments during the second quarter of 2024, attracting US$ 2.77 billion.

India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US$ 11.8 billion) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities.

In the last 10 years, 697 km have been added to Metro Rail Network across the country. In 2024, about 945 km of metro rail lines are operational in 21 cities and 919 km is under construction in 26 different cities.

At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.61 billion and US$ 33.91 billion, respectively, between April 2000-March 2024.

Indian logistics market is estimated to touch US$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over 2021-26 driven by spending on water supply, transport, and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the tenth five-year plan as against 9% in the eleventh five-year plan. Further, US$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12^{th} five-year plan, with 40% of the funds coming from the private sector.

GOVERNMENT INITIATIVES AND INVESTMENTS

Some of the recent government initiatives and investments in the infrastructure sector are as follows:

- Under Interim Budget 2024-25:
    - For FY 2024-25, the government has allocated record CAPEX of Rs. 2,62,200 crore (US$ 31.67 billion) for Railways.
    - In June 2024, Ministry of Housing & Urban Affairs has approved proposals worth Rs. 860.35 crore (US$ 103.91 million) for West Bengal under SBM-U 2.0. During the first phase of SBM-U (2014-19) a total fund of Rs. 911.34 Cr (US$ 130.34 million) was allocated to West Bengal which has been increased by 1.5 times to Rs. 1449.30 crore (US$ 175.04 million) in SBM-U 2.0 (2021-26).
    - At the start of the 2024-25 financial year, the Ministry had approximately 20,000 km of National Highways (NHs) planed construction. Additionally, there is a collection of projects in the DPR and tendering stages to enhance construction progress in the current and upcoming fiscal years.
    - The total length of National Highways (NHs) constructed in Northeastern Region (NER) during the last ten years is 9,984 km with an expenditure of Rs. 1,07,504 crore (US$ 12.98 billion) while 265 nos. of NH projects are under implementation at a cost of Rs. 1,18,894 crore (US$ 14.36 billion) with total length of 5,055 km.
    - The Central government has increased its capital expenditure (CAPEX) allocation to US$ 133.9 billion (Rs. 11.11 trillion) for the fiscal year beginning April 1, 2024, with a focus on advancing India's infrastructure, as part of a strategic move to stimulate economic growth. An increase of 11.1% from the previous year, the FY25 interim budget allots US$ 133.9 billion (Rs. 11.11 trillion) for capital expenditures, or 3.4% of GDP.
    - With a 37% increase in the current fiscal year, capital expenditures (CAPEX) are on the rise, which bolsters ongoing infrastructure development and fits with Vision 202.
    - 7 goals for India's economic growth to become a US$ 5 trillion economy. In order to anticipate private sector investment and to address employment and consumption in rural India, the budget places a strong emphasis on the development of roads, shipping, and railways.
    - India's ambitious plan calls for spending US$ 1.723 trillion (approximately Rs. 143 trillion) on infrastructure between FY24 and FY30, with a particular emphasis on power, roads, and developing industries like renewable energy and electric vehicles.

- Prime Minister Mr. Narendra Modi emphasized that India is committed to attaining net-zero carbon emissions by 2070, and that the country's ambitious goal of 500 gigawatts (GW) of renewable capacity by 2030 should be met. In order to make this possible, he unveiled a plan to raise the proportion of gas in India's energy mix to 15% by 2030, which will involve spending roughly US$ 67 billion over the course of the following five to six years.
- In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs.11.11 lakh crore (US$ 133.86 billion), which would be 3.4 %of GDP.
- The government has decided to allocate Rs. 2.76 lakh crore (US$ 33.4 billion) towards the Ministry of Roads for 2024-25.
- A capital outlay of Rs. 2.55 lakh crore (US$ 30.72 billion) has been made for the Railways, an increased of 5.8% over the previous year.
- The allocation for solar power grid reached Rs. 8,500 crores (US$ 1.02 billion) from the previous allocation of Rs. 4,970 crores (US$ 598.80 million).
- The Interim Budget 2024-25 allocated Rs. 1,11,876.6 crore (US$ 13.5 billion) for the Department of Telecom.
- The government announced Rs. 77,523.58 crore (US$ 9.3 billion) to the Ministry of Housing and Urban Affairs.
- Three significant economic railway corridor initiatives—energy, port connectivity, mineral and cement, and high traffic density—will be carried out by the railway industry. Additionally, in order to improve passenger safety, convenience, and comfort, forty thousand standard rail bogies will be converted to Vande Bharat standards.
- In the aviation sector, the number of airports has doubled to 149, and currently, 1.3 crore passengers are transported on 517 new routes. Indian airlines have taken the initiative to order more than a thousand new aircraft.
- As part of the PM Awas Yojana (Grameen), two crores more houses to be taken up in the next five years. Despite COVID challenges, the target of three crore houses under PM Awas Yojana (Grameen) will be achieved soon.

INVESTMENTS

- According to CRISIL's Infrastructure yearbook 2023, India will spend nearly Rs. 143 lakh crore (US$ 1,727.05 billion) on infrastructure in seven fiscals through 2030, more than twice the near Rs. 67 lakh crore (US$ 912.81 billion) spent in the previous seven years.
- As per a report of Morgan Stanley India's infrastructure investment to steadily increase from 5.3% of GDP in FY24 to 6.5% of GDP by FY29.
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.61 billion and US$ 33.91 billion, respectively, between April 2000-March 2024.
- In January 2023, the Construction arm of Larsen & Toubro has secured orders for its power transmission & distribution and buildings & factories businesses to establish a 112.5MW Solar Power Plant in West Bengal and to construct a 600-bed super specialty hospital at Mumbai, respectively.
- Larsen & Toubro (L&T) to form L&T Green Energy Council, a think-tank comprising of eminent thought leaders, in a significant step towards building a global green energy business.
- In August 2023, Bharat Heavy Electricals Ltd. (BHEL) and Greenstat Hydrogen India Pvt. Ltd. (GHIPL) signed an MoU for 'Potential Collaboration Opportunities in Green Hydrogen and Derivatives in the Hydrogen Value Chain'. This MoU will help in contributing towards the country's 'National Hydrogen Mission' aimed at making India 'Aatma Nirbhar' in this area.

- In December 2022, BHEL formed a consortium with Titagarh Wagons and is among five entities which have bid for the mega Rs. 58,000 crore (US$ 7 billion) contract to manufacture 200 Vande Bharat trains and maintaining them for the next 35 years.
- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated and laid foundation stone of 8 National Highway projects of 226 km length worth Rs. 1800 crore (US$ 217.4 million) at Igatpuri, Nashik, Maharashtra.
- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 7 National Highway projects worth Rs. 2,444 crore (US$ 295 million) with total length of 204 km in Rewa, Madhya Pradesh.
- In November 2022, Prime Ministry of India laid the foundation stone of various road projects worth over Rs. 2200 crore (US$ 2.6 billion), namely Medak-Siddipet-Elkathurthy section of NH-765DG; Bodhan-Basar-Bhainsa section of NH-161BB; Sironcha to Mahadevpur Section of NH-353C in Telangana.
- In November 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated the construction of 3.8 km long 4-lane elevated structure flyover at Ahmednagar, Maharashtra on National Highway-61 at a cost of Rs. 331.17 crore (US$ 40 million).
- In October 2022, Prime Ministry of India laid the foundation of road and ropeway projects worth more than Rs. 3,400 crore (US$ 410 million) in Mana, Uttarakhand.
- In October 2022, National Highways Infra Trust (NHAI InvIT), the infrastructure investment trust sponsored by National Highway Authority of India (NHAI) to support Government of India's National Monetization Pipeline, has raised a sum of Rs. 1,430 crore (US$ 172.6 million) from domestic and international investors through placement of its units, for part funding its acquisition of three additional road projects from NHAI.
- As many as 52 critical infrastructure gap projects identified by MoPSW for connecting maritime ports and IWTs (Inland Waterway Terminals) to be taken up under PM Gati Shakti National Master Plan. Currently, DPR of total 56 projects (including 11 IWT projects) under this category with total of 1,215 km length are under bidding stage for the feasibility assessment of these projects, which is being carried out by NHAI.
- Budget 2023-24 highlights:
    - For FY24, the budgetary allocation for the Ministry of Development of North-eastern Region stood at Rs. 5892 crore (US$ 711 million).
    - Rs. 2,200 crore (US$ 265.5 million) allocated for Prime Ministers Development Initiative for North-East (PMDevINE) Scheme.
    - Rs. 2491 crore (US$ 300.6 million) was allocated to Northeast Special Infrastructure Development Scheme (NESIDS).100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
- The passenger revenue is estimated to be Rs. 70,000 crore (US$ 8.51 billion), an increase of 9% over the previous year.
- In January 2024, the overall index of eight core industries stood at 164.5* driven by the production of coal, refinery products, fertilizers, steel, electricity, and cement industries.
- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US$ 1.75 billion)
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college, and a specialised hospital in Jammu & Kashmir.
- A network of 35 Multimodal Logistics Parks is planned to be developed as part of Bharatmala Pariyojana, with a total investment of about Rs. 46,000 crore (US$ 5.5 billion), which once operational, shall be able to handle around 700 million metric tonnes of cargo. Of this, MMLPs at 15 prioritized locations will be developed with a total investment of about Rs. 22,000 crore (US$ 2.6 billion).
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700 million metric tonnes of cargo. Of this, MMLPs at 15 prioritized locations will be developed with a total investment of about Rs. 22,000 crore (US$ 2.6 billion).

ROAD AHEAD

With a 37% increase in the current fiscal year, capital expenditures (capex) are on the rise, which bolsters ongoing infrastructure development and fits with 2027 goals for India's economic growth to become a US$ 5 trillion economy. In order to anticipate private sector investment and to address employment and consumption in rural India, the budget places a strong emphasis on the development of roads, shipping, and railways.

Global investment and partnerships in infrastructure, such as the India-Japan forum for development in the Northeast are also indicative of more investments. These initiatives come at a momentous juncture as the country aims for self-reliance in future-ready and sustainable critical infrastructure.

India, it is estimated, needs to invest US$ 840 billion over the next 15 years into urban infrastructure to meet the needs of its fast-growing population. This investment will only be rational as well as sustainable, if we additionally focus on long-term maintenance and strength of our buildings, bridges, ports, and airports.

As a result of digitalisation and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

Civil Aviation Ministry's "Vision 2040" report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each.

220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom because of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.

Note: *Conversion rate used for June 2024 is Rs. 1 = US$ 0.012*

References: *Media Reports, Press releases, National Infrastructure Pipeline, Union Budget 2023-24, Ministry of Commerce, and Industry.*

ENGINEERING AND CAPITAL GOODS INDUSTRY IN INDIA

INTRODUCTION

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

India became a permanent member of the Washington Accord (WA) in June 2014. it is now part of an exclusive group of 17 countries that are permanent signatories of the WA, an elite international agreement on engineering studies and the mobility of engineers.

MARKET SIZE

The Capital Goods sector contributes to 12% of India's manufacturing output and 1.8% of GDP. Market valuation of the capital goods industry was US$ 43.2 billion in FY22.

Imports of Electrical Machinery in India increased to US$ 12.30 billion in FY24. The Indian electrical equipment industry comprises of two broad segments, Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) and allied equipment like transformers, cables, transmission lines, etc. The sector contributes about 8% to the manufacturing sector in terms of value, and 1.5% to overall GDP. Incentives for capacity addition in power generation will further increase the demand for electrical machinery.

The quick estimates of Index of Industrial Production (IIP) for FY24 came at 156.2, improving from 146.7 in FY23.

The electrical equipment market share in India is expected to increase from US$ 52.98 billion in 2022 to US$ 125 billion by 2027, implying a robust CAGR of 11.68%. The domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US$ 72 billion by 2025. In FY23, India's heavy electrical equipment production stood at Rs. 2,44,300 crore (US$ 29.38 billion). The electrical machinery segment grew nearly 13% with shipments jumping to US$ 10.19 billion in the April-December 2023 from US$ 9.06 billion in the year-ago period. The Indian textile machinery industry was expected to touch the US$ 6 billion mark by 2022. India's textile machinery exports declined by 5.09% to US$ 1003.55 million in 2023 compared to the previous year.

The market size of the Plastic machinery sector stood at US$ 0.5 billion.

Indian Process Plant and Machinery (PPM) industry has estimated capacity of US$ 6.00 Billion per annum

Earthmoving equipment sales grew by 23% YoY in second quarter of FY 2024, as the total equipment numbers sold increased to 22,334.

Foundry industry has a turnover of approx. US$ 20 billion with exports of approx. US$ 3.54 billion.

There are 750–800 domestic Medical Devices manufacturers in India, with an average investment of US$ 2.3–2.7 million and an average turnover of US$ 6.2-6.9 million.

The Indian industrial fasteners market was valued at US$ 9,064 million in 2022 and is projected to reach US$ 17,868 million by 2030, registering a CAGR of 7.9% during the forecast period (2023-2030).

India steam boiler systems market size is expected to reach nearly US$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period.

The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025.

The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25.

India switchgear market size was estimated at US$ 9.75 million in 2022 and is expected to grow at CAGR of 7.12% reaching a value of US$ 18.23 million by 2029.

India's automotive industry is worth more than US$ 222 billion, contributes 8% of the country's total export, accounts for 7.1% of India's GDP and is set to become the 3rd largest in the world by 2030.

Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by 2025. According to the Automotive Component Manufacturers Association of India, the auto-components industry of India is expected to grow by 10-15% in FY24, which would be driven by both domestic and export market demand.

The Indian agricultural equipment market has reached a value US$ 10.25 billion in 2023 and is anticipated to grow at a CAGR of 5.24% through 2029.

The Indian machine tool market size reached US$ 1.5 billion in 2023 and is expected to reach US$ 3.2 billion by 2032, exhibiting a growth rate (CAGR) of 8.2% during 2024-32.

The Indian automated material handling (AMH) market was valued at US$ 1,353.8 million in 2020 and is expected to go up to US$ 2,739.34 million by 2026 at a CAGR of 12.7%.

In FY23, India's heavy electrical equipment production stood at Rs. 2,44,300 crore (US$ 29.38 billion).

The boiler market in India is expected to grow from Rs. 5,859 crore (US$ 704.6 million) in FY19 to Rs. 8,831 crore (US$ 1.1 billion) in FY30 with an expected CAGR of 3.8%.

In FY24, exports of engineering goods stood at US$ 109.32 billion, reflecting a marginal growth of 2.1% of YoY growth. In April 2024, exports of engineering goods reached at US$ 8.67 billion.

In FY24, exports of engineering goods stood at US$ 109.32 billion, reflecting a marginal growth of 2.1% of YoY growth. India exports engineering goods mostly to the US and Europe.

EXPORT OF ENGINEERING SERVICES

INTRODUCTION

Engineering is the largest industrial sector in India and accounts for 3.53% of the country's Gross Domestic Product (GDP). The country's engineering sector comprises manufacturing iron, steel, related products, non-ferrous metals, industrial machinery, automobiles, auto components, and other engineering products. The key goods exported under the industrial machinery category are IC (Internal combustion) engines and parts, industrial machinery for dairy, food processing, textiles, industrial machinery like boilers, parts, machinery for injecting molding, valves, and ATMs.

India became a permanent Washington Accord (WA) member in June 2014. It is now part of an exclusive group of 17 countries that are permanent signatories of the WA, an elite international agreement on engineering studies and the mobility of engineers. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. In 2019, the government announced an investment of Rs. 100 lakh crore (US$ 1.5 trillion) in infrastructure development over the next five years. In the Interim Union Budget 2024-25, the government greatly pushed the infrastructure sector by allocating Rs. 11,11,111 crore (US$ 133 billion) to enhance the transport infrastructure. The engineering sector is an important component of the broader manufacturing sector, and the share of engineering products in overall manufacturing output is quite significant. It is also a highly organized sector dominated by large players employing over four million skilled and semi-skilled labor.

EXPORT TREND

The engineering goods export of India had a share of 25.22% out of the total exports during the financial year 2023-24 from the country, as the exports jumped to US$ 109.22 billion as compared to US$ 106.93 billion during the last financial year 2022-23. In FY25 (until June 2024), the exports of engineering goods stood at US$ 27.66 billion. The impressive growth in Engineering Goods exports in recent years has largely been due to the zero-duty Export Promotion Capital Goods (EPCG) scheme of the Ministry of Commerce & Industry which forms part of the Foreign Trade Policy (FTP) of the Government of India.

Exports of capital goods contributed about half of the total engineering exports from India. Primary iron, steel, and its products exports accounted for 21.63%, while Non-ferrous metals and products exports contributed 12.61% of India's engineering goods exports in 2022-23. 17.53% was composed of exports of industrial machinery, 10.24% of exports of electrical machinery, 20.31% of auto and auto parts, and the remaining 17.68% by miscellaneous items, including exports of aircraft, spacecraft and parts and ships, boats, and floating structures.

The iron, steel, and products exports of India were valued at US$ 23.16 billion in 2022-23, witnessing a decline in growth of 27% over the previous year. Among the key products exported from non-ferrous metals and products made of non-ferrous metals, aluminum and products exports were the highest at US$ 8.87 billion in 2022-23 declining by 17.5% over the previous year. Industrial machinery recorded exports of US$ 18.77 billion, while electrical machinery exports were valued at US$ 10.97 billion in 2022-23.

EXPORT DESTINATIONS

India exports engineering products to the following regions: ASEAN, North-East Asia, Africa, EU, North America, CIS, Latin America, South Asia, Africa, Middle East, West Asia, etc. The top five Indian engineering goods importing countries were the USA, the UAE, Germany, Italy, and Singapore with a share of 17.44%, 4.61%, 3.68%, 3.67%, and 3.42%, respectively, in 2022-23 out of the 25 countries recorded positive cumulative growth in engineering exports during April-March 2022.

India's engineering exports continued their year-on-year growth for the second consecutive month into January 2024 with a 4.20% increase. The expansion in January 2024 was attributed to increased shipments of Iron & Steel, Aircrafts, spacecraft and parts, Copper and copper products, and Electric machinery. Additionally, heightened demand from South Asia, the European Union, and North America contributed to this growth.

The share of the top 25 importing nations of India's engineering goods accounted for 75.9% of India's total engineering exports in 2022-23. This significant share is evidence of the dependence of India's engineering exports on the traditional markets. Italy, the UAE, and the USA were the top three importers of Indian Iron and Steel during 2022-23, whereas the USA, Germany, and the UAE were the top three importers of India's 'Products of Iron and Steel' during the same period as compared to 2021-22.

Indian industrial machinery saw the highest imports from the USA during 2022-23. Germany and Thailand were the two immediate followers of the USA. South Africa, Mexico, and Saudi Arabia were the top three importers of India's automobiles during 2022-23 in India's global exports respectively over the same period last fiscal.

During 2022-23, the top three importers of India's non-ferrous metals and products were the USA, Korea, and Malaysia whereas the USA, France, and Germany were the three top importers of Indian electrical machinery and components during the same period.

During 2024-25, the top three importers of India's Engineering Goods were the USA, UAE, and Saudi Arabia.

GOVERNMENT INITIATIVES

The government of India has implemented various export promotion schemes, such as the Zero Duty Export Promotion Capital Goods (EPCG) scheme, Towns of Export Excellence (TEE), Market Access Initiative (MAI), etc. These schemes are aimed at encouraging the exporter and to help increase the revenue from international markets. Also, schemes such as duty exemption, advance authorization, duty-free import, rebate on service tax, etc. have been implemented to ease raw material imports. The Indian Engineering Exposition (INDEE), a brand of EEPC India, is one of the largest engineering expositions in the world.

Apart from the specific schemes mentioned above, the Government of India has taken several initiatives to support and enhance the competitiveness of the domestic engineering goods manufacturing firms such as the "Make in India" initiative, PLI scheme for Automobile, and Auto components, PLI scheme for National Programme on Advanced chemistry cell (ACC) Battery Storage, FAME INDIA II scheme, Capital goods scheme, Industry 4.0.

The Government of India, along with the Engineering Export Promotion Council, frequently organizes the International Engineering Sourcing Show (IESS) with the main objective of promoting India's image and providing a platform for Indian exporters to showcase their strengths and capabilities in an emerging market. This has become a unique platform between Indian and overseas engineering firms with B2B meets, thematic seminars and exclusive country and state sessions, bilateral forums.

GOVERNMENT BODY

Engineering Export Promotion Council (EEPC)

Formed in 1955, EEPC is a trade and investment promotion organization for the Indian engineering sector. The primary responsibilities and activities of the council are to arrange seminars, exhibitions, and buyer-seller meet and also to promote the 'Make in India' brand. It also provides services to its members and foreign buyers.

Source: www.ibef.com

OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled **"Risk Factors"**, beginning on page 24 of this Draft Red Herring Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title **"Risk Factors"** and the chapters titled **"Restated Financial Statements"** and **"Management Discussion and Analysis of Financial Conditions and Results of Operations"** beginning on page 24, 202 and 262 respectively of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to "we", "us", "our", "LESL" and "our Company" are to **"Leapfrog Engineering Services Limited"**. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Red Herring Prospectus*

OVERVIEW

Our Company was originally incorporated as a Private Limited Company in the name of ***"Leapfrog Informatics Private Limited"*** on May 09, 2005 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently the name of our company was changed to ***"Leapfrog Engineering Services Private Limited"*** vide a fresh Certificate of Incorporation consequent upon Change of Name dated January 23, 2009 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to ***"Leapfrog Engineering Services Limited"*** vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2024 bearing Corporate Identification Number U74210KA2005PLC036274 issued by Registrar of Companies – Central Processing Centre (CPC).

Leapfrog Engineering Services Limited (LESL) is engaged in engineering, procurement, construction, and commissioning (EPCC) with a specialized focus on electrical, instrumentation, fire safety, modular substation and automation systems. We are an integrated Engineering Services Company that provides EPCC services for a wide range of industries, including Oil and Gas, Food processing, Pharma, Metals among others. With over 20 years of a strong, customer -focused approach and a continuous quest for outstanding quality, has unmatched capabilities across Electrical, Instrumentation, Automation, Fire Protection, Modular Substation and Project Execution. Leapfrog has built a reputation for its expertise in developing large – scale projects including refineries, early productions facilities, gas sweetening facilities, petrochemical plants, pharma, food processing, metals, chemicals and fertilizers.

Our expertise spans a wide range of engineering solutions, making us a versatile and comprehensive service provider in the industry. We cater to a highly diversified client base, delivering tailored solutions across numerous sectors. Our operations extend across multiple states within India and reach internationally, serving clients in many countries around the globe.

This extensive geographical reach, combined with our broad spectrum of services, enables us to address complex engineering challenges with precision and efficiency. Whether domestically or internationally, our commitment to quality and innovation has allowed us to build strong, lasting relationships with clients from various industries, reinforcing our reputation as a trusted partner in delivering cutting-edge engineering solutions.

We are driven by the vision and leadership of a highly experienced senior management team, spearheaded by our Managing Director, Mr. Prabhav Narasimha Rao, and our Wholetime Director, Mrs. Priyashaila Prabhav Rao. Their active involvement in strategic planning, conceptualization, design, and service development underscores their commitment to our business. Both leaders have played an integral role in shaping our business strategy and bring extensive expertise in engineering services. As architects of our strategic vision, Mr. Prabhav Narasimha Rao and Mrs. Priyashaila Prabhav Rao have consistently demonstrated the ability to create, build, and grow our brands and business.

In addition to their leadership, we are supported by a dedicated and experienced management team of cross-functional professionals and a seasoned Board of Directors. Together, they bring expertise spanning all aspects of our operations. We aim to leverage the strength of our brands to offer a diverse range of services tailored to our customers' needs. By continuing to grow our brands, deepening our understanding of customer requirements, and fostering strong client relationships, we are well-positioned to expand our footprint in the engineering solutions market.

In line with our commitment to scaling our brand and business, we are planning to establish a state-of-the-art facility at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka with an estimated project cost of ₹ 2,816.91 lakhs. The proposed facility is a strategic move to strengthen our operational capabilities, expand our service offerings, and enhance our ability to deliver innovative engineering solutions to our customers. By setting up this facility, we aim to not only drive business growth and brand recognition but also create new business opportunities, fostering long-term prospects for our organization in the highly competitive engineering solutions industry.

OUR JOURNEY IN A NUTSHELL

Over the years, our company has undergone a remarkable transformation, evolving from a small-scale enterprise into a thriving medium-sized business. This growth is a direct result of our unwavering commitment to continuous improvement, technology adoption, and customer-centricity. The culmination of these efforts was evident when we crossed the significant milestone of INR 150 crore in revenue during the FY 2023-2024, a testament to our financial success and strategic direction. This achievement not only reflects our robust business model but also highlights our dedication to delivering value to our customers.

From modest beginnings, LESL has made extraordinary strides in the global market. In the last two financial years, we have executed export orders worth over INR 225 crore, establishing ourselves as a prominent player both in India and globally. Our commitment to impeccable, time-bound, and quality delivery mechanisms has earned us the trust and repeat business of our customers. Over the past decade, we have successfully completed more than 14 projects for Kuwait, further solidifying our reputation in the industry.

Our success is not only measured by financial achievements but also by the growth and development of our people. LESL invests heavily in identifying and nurturing exceptional talent, providing an environment that fosters leadership and innovation. Our recognition as the **"Best Merchant Exporter Award"** for the years 2023 and 2024 by the Federation of Karnataka Chambers of Commerce & Industry (FKCCI) under the MSME category and the **"Outstanding Achievement Award for Business Excellence"** for the year 2024 by Indian Economic Development & Research Association are a validation of our accomplishments and serves as an inspiration to continue striving for greater impact and positive change in the industry.

KEY PERFORMANCE INDICATORS

(Amount in Lakhs, except % and ratios)

Particulars	30-09-2024*	31-03-2024	31-03-2023	31-03-2022
Total Income	3,208.71	16,287.69	10,537.88	4,228.90
Growth (%)	(80.30)%	54.56%	149.19%	67.76%
Revenue from Operation	3,131.22	15,785.42	10,417.86	4,159.14
EBITDA (Operating Profit)	612.34	1,973.07	100.51	246.74
EBITDA Margin (%)	19.56%	12.50%	0.96%	5.93%
PAT	435.45	1,639.27	28.30	62.29
Growth (%)	(73.44)%	5,691.64%	(54.56)%	(5.98)%
PAT Margin (%)	13.91%	10.38%	0.27%	1.50%
EPS (Basic & Diluted) - (As per end of Restated period)	0.43	341.51	5.90	12.98
EPS (Basic & Diluted) - (Post Bonus & Split with retrospective effect)	0.43	1.63	0.03	0.06
Total Borrowings	1,796.85	1,377.85	1,304.69	1,981.74
Total Net Worth (TNW)	2,606.48	2,171.03	531.76	503.46
ROCE%	15.16%	68.10%	10.95%	12.28%
RONW (%)	16.71%	75.51%	5.32%	12.37%
Debt Equity Ratio (Total Borrowing/TNW)	0.69	0.63	2.45	3.94

** Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.*
As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

AREAS OF OUR EXPERTISE

Leapfrog Engineering Services Limited (LESL) is a distinguished provider of EPCC (Engineering, Procurement, Construction, and Commissioning) services, offering end-to-end solutions to clients across a broad spectrum of industries, including Oil and Gas, Food Processing, Pharmaceuticals, Metals, and many others. We specialize in delivering complex projects, from the design phase to final commissioning, ensuring the highest standards of quality, safety, and efficiency.

As a trusted partner in EPCC contracts, our company manages a wide range of services designed to meet the diverse needs of our clients. These services include:

- **Electrical Solutions**
- **Instrumentation & Industrial Automation**
- **Fire Protection & Safety System**
- **Building Automation System**
- **Modular Substation Solutions**
- **Enterprise Solutions**

Each of these services is a crucial component of the overall EPCC contracts we handle. Due to the integrated nature of our projects, it is difficult to isolate and separately quantify the revenue generated from each individual service. However, the detailed breakdown of each service is as follows:

- **Electrical Solutions**

Whether it's greenfield projects, or brownfield sites with multiple systems, Leapfrog understands the constraints and engineering challenges of providing reliable and sustainable electrical system. We have obtained Class I Electrical Contractor License bearing No. 1CL00179BNG under The Electricity Act, 2023 from Department of Electrical Inspectorate which is valid from 01/08/2023 to 31/07/2028.

We have built a portfolio of electrical solutions that cover:

- Engineering Consultancy: Scoping, design & engineering of electrical system like Substations (up to 220 KV), switchgears, MV/LV Drives, Power back system, Power system studies, Cabling etc.
- Manufacturing of MV and LV switchgears conforming to international standards like IEC, UL etc.
- EPC Contracts: Complete turnkey installations for all types of electrical network like substations, switchgears, cabling, lighting, drives, protection etc.
- Operations & Maintenance Services.
- System commissioning support services.

- **Instrumentation & Industrial Automation**

Industry automation is part of Leapfrog's ongoing digital transformation and collaboration between people, systems and equipment for autonomous operations and sustainable performance, thereby ensuring the safety of people and the environment.

By capturing, processing, and analysing data from automated processes and machines, the employees can anticipate and avoid mechanical problems, improve productivity, and ensure linearity across the supply chain.

Our Services includes:

- Infrastructure Systems Installation: Cabling, Instrument Air / Gas Tubing, and Impulse Piping Work.
- Engineering for P&I Diagram, BID, PFD, instruments lists, hook up, cable schedule, interconnection diagram.
- SITC of all instrumentation & automation equipment like SCADA, DCS/PLC Panels, IO Panels, Field Instruments, Drives, etc.
- Old DCS upgradation, PLC upgradation, DCS station license renewals/upgradations etc.
- Management systems like MIS, EMS systems, PMS, all third party OPC integration services etc.
- Industrial Process Automation using Robotics.

- **Fire Protection & Safety System**

Our comprehensive Fire Safety services are designed to keep your entire system always secure. From designing and installation to troubleshooting and monitoring, we provide fire protection solutions that are evolved to avert high-level threats and build resilience.

Strict adherence to national and international fire codes and regulations is the first and most basic prerequisite of our commitment to protecting your people and property.

Our Services includes:

- Fire Detection & Alarm Systems: Addressable-Intelligent, Conventional, and Hybrid.
- Consultancy: Scoping, Design, and Engineering.
- Contracting & Commissioning.
- Troubleshooting and Design Verification.
- Operations & Maintenance.
- Fire Suppression Systems: Water, Gas, Portable.
- Structural Steel Fire Protection and Fire Stopping.
- Fire Rated Doors and Glass.

- **Building Automation System**

In this segment our aim is to maximize productivity and efficiency with our cutting-edge building automation solutions so that our clients experience seamless integration of advanced control systems, process optimization, and real-time data analysis for improved decision-making, safety, and sustainable performance in your operations.

Our Services includes:

- Controls & Displays for HVAC Systems.
- Sensors, Switches, Control Systems, and Instruments for Measuring Pressure, Airflow, Temperature, and Electrical Current.
- Access Control & Biometric Systems, Video Analytics, Intruder Alarm Systems, IP and Analog Video Surveillance Solutions, Time & Attendance Management, Parking Access Control, Visitor Management Systems, and PA Systems.

- **Modular Substation Solutions**

A recent trend in substations called E-House substations, also known as prefabricated or modular substations, are self-contained units that house power distribution equipment such as transformers, switchgear, and control systems. These units are built off-site and then transported to the site for installation- thereby providing a faster, safer, and more flexible and cost-effective solution compared to traditional substations. Leapfrog's E-House expertise – from engineering to commissioning – is designed to solve all your project-specific challenges in an efficient, timely, and sustainable manner.

Our Services includes:

- Variety of E-Houses: Single, Split, Multi-Storey, Self-Interlock Type, Trailer Mounted, and for Battery Energy Storage Solutions (BESS).
- Specialized Applications: Containerized Substations, Bare Analyzer Shelters, Prefabricated Data Centre Shelters, and Offshore Applications.
- Design Features: Structural Design using STAAD Pro Analysis & Ansys, Design Codes (IS 800, ASCE, Euro Code), Lifting & Transportation Analysis, In-Site Condition Analysis, Fire Rating, Blast Rated Constructions, Ingress Protection (IP Rating), and PE Stamping for the USA Region.
- Associated E-House Subsystems: Lighting, Earthing & Electrification, Fire Detection & Suppression, HVAC, Lightning Protection, Access Control, and Surveillance Systems.
- Integration & Testing: Mechanical Installation, Electrical Integration, and Testing of OEM's Equipment (Switch Gears, VFD, Statcom, Transformer, UPS, Battery Racks) as per OEM's procedure.

- **Enterprise Solutions**

  We specialize in delivering comprehensive enterprise solutions tailored to meet the unique needs of various industries. Our services are designed to enhance operational efficiency, streamline processes, and support sustainable growth.

  By leveraging the latest technologies and best practices, we help organizations optimize their workflows, improve decision-making, and stay competitive in their respective markets. Our dedicated team of experts works closely with clients to provide innovative and scalable solutions that drive success across all levels of operation.

MARKET SEGMENTS/INDUSTRIES COVERED UNDER OUR DOMAINS

Our company operates across a wide range of diverse market segments and industries. The key segments we cover include:

Industries Covered

- Oil and Gas
- Metal and Minerals
- Mining
- Pharmaceuticals
- Food Processing
- Power and Telecommunication
- Chemicals & Fertilizers
- Infrastructure
- Solar and Renewable Energy

Industry Wise Revenue bifurcation:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Oil and Gas	645.22	20.61%	14,341.65	90.85%	9,083.57	87.19%	3,269.39	78.61%
Metal and Minerals	2,363.20	75.47%	721.72	4.57%	20.36	0.20%	-	-
Infrastructure	111.38	3.56%	506.82	3.21%	630.97	6.06%	393.53	9.46%
Chemical & Fertilizers	-	-	178.70	1.13%	372.28	3.57%	496.22	11.93%
Pharmaceuticals	11.42	0.36%	36.54	0.23%	310.68	2.98%	-	-
Total	**3,131.22**	**100.00%**	**15,785.42**	**100.00%**	**10,417.86**	**100.00%**	**4,159.14**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

Revenue bifurcation based on Domestic and Export Sales

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Domestic	1,649.02	52.66%	1,745.24	11.06%	1,692.61	16.25%	1,727.62	41.54%
Exports	1,482.20	47.34%	14,040.18	88.94%	8,725.25	83.75%	2,431.52	58.46%
Total	**3,131.22**	**100.00%**	**15,785.42**	**100.00%**	**10,417.86**	**100.00%**	**4,159.14**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

OUR COMPETITIVE STRENGTHS

1. *Experienced Promoters backed by strong management team*

We are privileged to have Mr. Prabhav Narasimha Rao, our Managing Director and Promoter, lead the organization. Mr. Rao, an M. Tech graduate, brings over 30 years of extensive experience in project management across large engineering and multinational companies. Under his leadership, the company has evolved from a single-domain entity into a fully integrated engineering firm, covering all major engineering disciplines.

Over the past 19 years, we have experienced significant business growth, driven by Mr. Rao's vision and strategic direction. Our promoters possess in-depth operational expertise, robust client relationships, and a proven track record of executing EPC Turnkey and infrastructure projects across various industries, including Oil & Gas, Metals, Mining, Pharmaceuticals, and Food Processing.

In addition to our individual promoters, our senior management team comprises highly qualified and experienced professionals. Their industry expertise and leadership stability have been pivotal in positioning the company for sustained growth and market expansion. Collectively, they leverage their knowledge and experience to successfully execute business strategies, capitalize on emerging opportunities, and drive future growth.

For further details on our Key Managerial Personnel, please refer to the chapter titled ***"Our Management"*** on page 173 of this Draft Red Herring Prospectus.

2. *Strong Order Book*

In our industry, the Order Book serves as a key indicator of future performance, as it reflects a portion of our anticipated revenue streams. We have consistently achieved and maintained a robust Order Book by focusing on our core competencies and successfully securing new projects across diverse segments. As of the date of the Draft Red Herring Prospectus, our Order Book includes a diverse range of projects across multiple states in India and international markets. As of 10/01/2025, the company has an outstanding order book of ₹ 27,500.32 lakhs, comprising domestic orders worth ₹ 2,695.56 lakhs and export orders worth ₹ 24,804.76 lakhs. This clientele includes a mix of globally recognized corporations, renowned Indian industrial entities, and government-owned enterprises, reflecting the company's strong market presence and credibility.

We attribute the consistent growth of our Order Book to our strong focus on EPC turnkey projects and our proven ability to competitively bid for and win new contracts. Our success is underpinned by our extensive experience in executing large projects, our technical capabilities, adherence to timely project completion, financial resilience, and the competitive pricing of our bids. These factors have been instrumental in enhancing our ability to secure new projects and drive future growth.

3. *Our strong global presence*

Over the past decade, Leapfrog Engineering Services Limited (LESL) has successfully delivered over 14 projects in Kuwait, further establishing our strong reputation within the industry. These projects showcasing our expertise and ability to provide tailored, reliable solutions to meet the unique demands of client. The completion of these projects has not only demonstrated our technical proficiency but also underscored our commitment to delivering excellence and ensuring client satisfaction in every aspect of our work.

Throughout this period, we have actively expanded our presence in international markets, with a particular focus on the Middle East. Our operations in this region have been a pivotal driver of our growth, contributing significantly to our overall revenue and positioning us as a trusted partner for large-scale engineering, procurement, construction, and commissioning projects. The Middle East's dynamic and evolving market offers vast opportunities, and our strategic focus in this region has allowed us to capitalize on these opportunities, fostering long-term business relationships and achieving sustained success.

Kuwait, along with other Middle Eastern markets, remains a key area of focus for our business. We continue to strengthen our market position by leveraging our extensive experience, deep understanding of regional requirements, and a strong track record of successful project completions. Our commitment to this region is unwavering, and we are dedicated to building on our long-standing relationships with clients, stakeholders, and partners. By maintaining a high standard of service, staying ahead of industry trends, and continuously enhancing our capabilities, we aim to further solidify our standing as a leading provider of EPCC services in the Middle East and beyond.

4. ***Diversified Portfolio across various market segment***

Our business operates with remarkable stability, unaffected by seasonal fluctuations, due to our highly diversified portfolio. We serve a wide array of market segments, including Oil & Gas, Metals & Minerals, Mining, Pharmaceuticals, Power, Telecommunications, and Food Processing. This extensive diversification ensures that downturns in one sector are offset by stability and growth in others, thereby maintaining consistent revenue streams and overall business performance.

Additionally, our strong presence in both domestic and international markets further enhance our resilience. By operating across multiple geographical regions, we mitigate the risks associated with political instability, socio-economic changes, and geographical uncertainties. This global footprint allows us to leverage opportunities in various markets, adapt to different regulatory environments, and balance regional economic cycles. As a result, our business remains robust and less susceptible to localized disruptions.

Our strategic diversification across industries and geographies not only stabilizes our operations but also positions us to capitalize on emerging trends and market opportunities. This approach enables us to maintain a competitive edge, ensure continuous growth, and deliver sustained value to our stakeholders. Moreover, our ability to navigate and thrive in diverse environments underscores our operational excellence and strategic foresight, reinforcing our commitment to long-term success.

5. ***Established track record of timely execution***

With over decades of experience of our Promoters and senior management, we have successfully executed a diverse range of EPC Design and Build projects since 2005. This proven track record underscores our expertise in project management and execution, driven by a skilled workforce, efficient deployment of equipment, and an integrated in-house operational model. These strengths enable us to consistently deliver projects within, and often ahead of, scheduled timelines.

Our in-house supply chain management and design teams play a critical role in ensuring the timely delivery of construction materials to our facilities and project sites. This not only enhances process management but also optimizes inventory, contributing to cost efficiency. Additionally, our project management team works closely with the engineering team to oversee execution processes, ensuring that operational efficiencies are maintained throughout each project.

OUR BUSINESS STRATEGIES

1. ***Expanding Market Access across the Globe***

Having successfully expanded beyond the domestic boundaries of India and established a strong presence in international markets, particularly in the Middle East, we are now focused on deepening our global reach. While our core focus remains on the domestic market, we recognize the immense potential in expanding our international footprint. As part of our growth strategy, we are actively exploring opportunities to penetrate other key markets worldwide.

Our approach to global expansion is driven by a commitment to forging strategic partnerships with established international players. By collaborating with industry leaders, we aim to leverage their local expertise and networks, while contributing our technical know-how and project management capabilities. These alliances will allow us to capitalize on global opportunities, diversify our portfolio further, and enhance our competitive positioning on a global scale.

While our primary operations continue to be rooted in India, we believe that a balanced mix of domestic and international projects will not only bolster revenue growth but also mitigate risks associated with regional economic fluctuations. Through a combination of strategic partnerships and targeted market entry, we are confident in our ability to expand our international presence and deliver value across multiple geographies.

2. Overcoming Regulatory and Market Challenges

We actively engage with industry associations, policymakers and regulatory bodies to advocate reforms that reduce bureaucracy and enhance the ease of doing business as EPCC provider. We believe that a more streamlined and business-friendly regulatory framework is essential for industry growth. While we acknowledge the presence of major players, we see opportunities to diversify the market by offering innovative solutions, competitive pricing and superior customer service. Our focus is not just on market share but on delivering value to our customers and communities. We invest in cutting-edge technology and innovative solutions to enhance our competitiveness and efficiency. By leveraging technology, we aim to offer a range of services that meet the evolving needs of our customers and clients. We actively seek partnerships with other players in the industry to create a more collaborative and dynamic ecosystem. Collaborations can lead to synergies, better development and a broader customer base.

3. Further enhancement of our project execution capabilities

A key focus of our project execution strategy is the timely completion of projects, ensuring adherence to schedules without compromising quality. We remain committed to enhancing performance and project execution to maximize both client satisfaction and operating margins. By leveraging advanced technologies, innovative design solutions, and state-of-the-art project management tools, we aim to boost productivity while optimizing operating and overhead costs to drive profitability.

Effective project management is crucial to maintaining our reputation as a leading construction company. To continuously strengthen our execution capabilities, we plan to expand our talent pool by attracting top graduates from engineering institutions across India, while also investing in the ongoing development of our workforce through a blend of in-house and external training opportunities. This commitment to continuous learning will ensure that our team stays at the forefront of industry best practices and technological advancements.

We also plan to implement an enterprise resource planning (ERP) system to enhance operational efficiency and improve control over our project sites. This will not only streamline processes but also provide our engineering and technical personnel with diverse opportunities to work on large, complex projects, enriching their skills and experience.

Moreover, we will continue to prioritize health, safety, environmental management, and quality management standards, recognizing these as key performance differentiators in the eyes of our clients. By maintaining high standards in these areas, we aim to strengthen our competitive edge and ensure long-term success in the market.

4. Implementation of Assembling Unit

In line with our commitment to scaling our brand and business, we are planning to establish a state-of-the-art assembling unit at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka with an estimated project cost of ₹ 2,816.91 lakhs. The proposed facility is a strategic move to strengthen our operational capabilities, expand our service offerings, and enhance our ability to deliver innovative engineering solutions to our customers. By setting up this facility, we aim to not only drive business growth and brand recognition but also create new business opportunities, fostering long-term prospects for our organization in the highly competitive engineering industry.

5. Invest in Infrastructure and Technology

We recognize the critical importance of staying at the forefront of technological innovation within our industry. Embracing cutting-edge technologies and innovative solutions is integral to our business strategy, allowing us to maintain a competitive edge and deliver superior services to our clients. To this end, we make regular investments to upgrade our infrastructural facilities and processes, ensuring that we remain aligned with the latest industry advancements. Our commitment to modernization involves continuous research and the adoption of new technologies that are well-suited to our project requirements and client expectations.

By prioritizing technological advancements, we enhance our operational efficiency, improve project outcomes, and offer state-of-the-art solutions that meet the evolving needs of our clients. This proactive approach not only reinforces our position as a leader in the industry but also ensures that we consistently deliver exceptional results through innovative and effective practices.

6. Develop and maintain strong relationships with our clients

Our services are heavily reliant on securing EPCC (Engineering, Procurement, Construction, and Commissioning) contracts, which predominantly come from private sector clients, with some involvement in government projects. To thrive in this competitive landscape, our business strategy emphasizes the importance of cultivating and sustaining strategic alliances with other contractors. These partnerships often take the form of project-specific joint ventures or subcontracting arrangements, tailored to address specific project needs.

We are committed to actively developing and nurturing these relationships across both client and vendor sectors. Our goal is to establish and strengthen connections with new clients, architects, and Project Management Consultancy (PMC) teams. By engaging with companies whose resources, skills, and strategies complement our own, we aim to share risks effectively and enhance our project opportunities.

Building these strategic alliances not only broadens our network but also provides us with access to additional expertise and resources, thereby improving our competitive positioning. Through collaborative efforts with industry partners, we seek to optimize project outcomes, drive innovation, and create mutually beneficial opportunities that align with our business objectives.

SWOT ANALYSIS

Strength:

- Established operation and proven track record across various market segment
- Experienced Management team.
- Presence in domestic as well as international market.
- Abundant amount of work order in pipeline.

Weakness:

- Since EPCC Contracts, huge working capital requirement.
- Heavy Dependency on suppliers

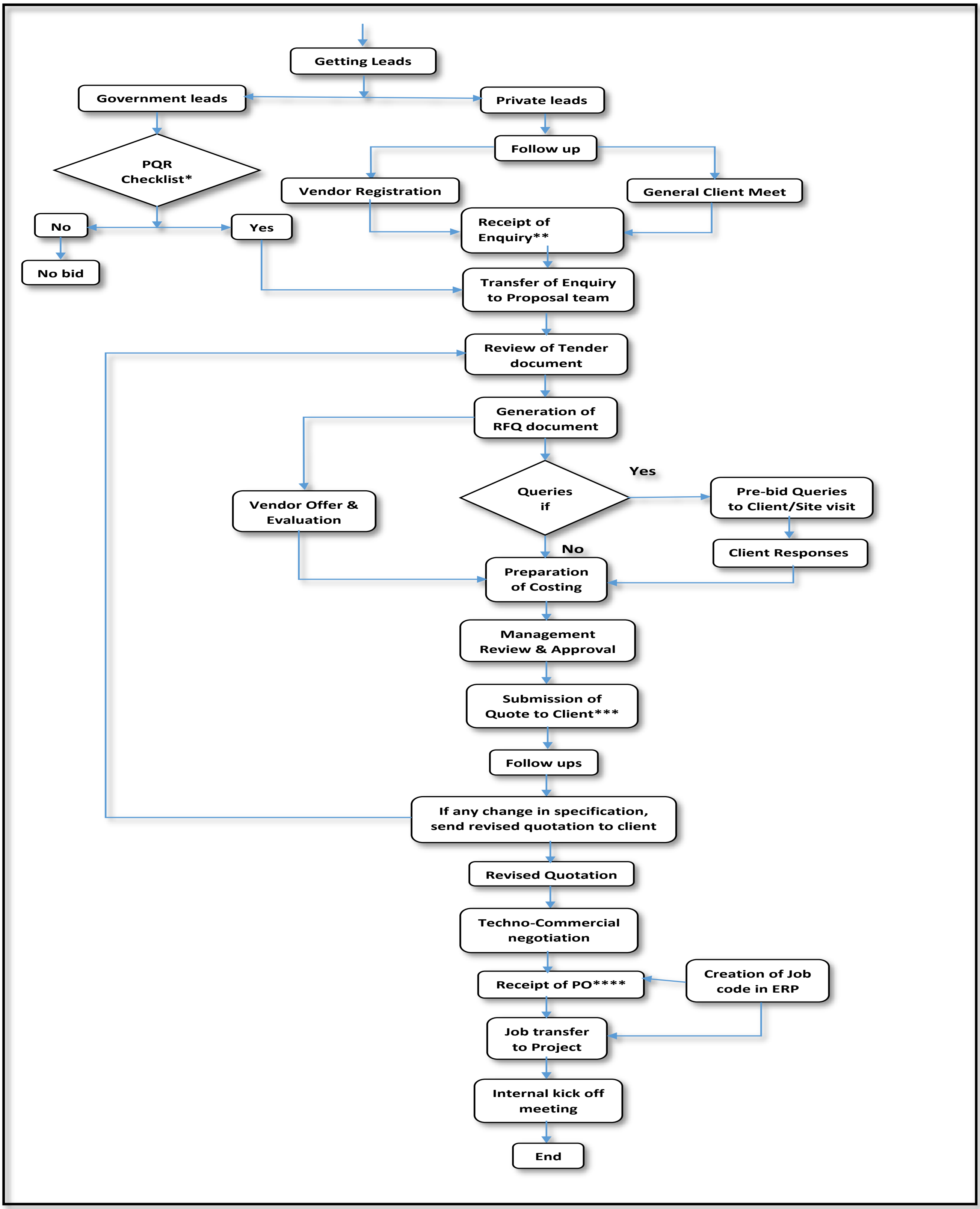
Opportunities:

- Extensive use of online procurement portals.
- Development of Infrastructure.
- Expanding new geographical areas.
- Price leverage due to Strategic alliance with large OEM's.

Threats:

- Changes in government policies.
- Environmental concerns
- War and natural calamities.

PROCESS FLOWCHART FOR SALES AND PROPOSAL DEPARTMENT



Notes

1. **Pre-Qualification Requirement (PQR) to be checked as per checklist and eligibility criteria.*
2. ***Enquiry list to be prepared as per Enquiry Format.*
3. ****Quotation format in case of private clients and bid in case of Government tenders.*
4. *****LOI in case of Government tenders and PO in case of private clients.*

The purpose of this flowchart is to establish procedure for Sales & Proposal departments starting from generating and getting the leads, receipt of firm inquiries, the transfer of inquiries to estimation, review of customer documents, generation of RFQ documents and sending to vendor/supplier to get the quotations to make our estimation, submitting of our techno-commercial offer to customers, attending the tender evaluation/technical discussions, submitting of revised techno-commercial offers, getting the LOI/PO from customers, evaluating of received LOI/PO and transfer of all documents/correspondence to engineering and project management departments and conducting or attending the internal kick of meeting to kick start the project.

Step 1:
Sales and Business development team generates leads either through Government registered portal or by marketing for private clients.

Step 2:
In government Leads, the Pre-Qualification Requirement (PQR) will be verified by Pre-Qualification (PQ) check list & if we are qualifying according to the eligibility criteria, we transfer the Lead to Proposal Team.

In Private Leads, we follow up with the client's Company and proceed for vendor registration. Further we transfer the Lead to Proposal Team.

Step 3:
In this stage RFQ (Request for Quote) is generated upon receipt of enquiry from private clients and forward the same to various Original Equipment Manufacturers (OEM) and other suppliers. Simultaneously, the enquiry is logged in our Enterprise Resource Planning (ERP) system and recorded in the Enquiry Register.

For government clients, all tender documents, including technical specifications, drawings, and data sheets, are thoroughly evaluated. Following this evaluation, an RFQ is prepared and issued to relevant OEMs and suppliers.

Step 4:
Evaluation of quotation received from OEMs and suppliers. Additionally, site visits are conducted to gain a deeper understanding of the project scope and to address any questions or uncertainties we may have with the client.

Step 5:
In this stage, we prepare costing based on the customer BOQ provided & compare the vendor offers both technically & commercially and discuss with higher management for the Project Margins & incorporate vendors offer. The Technical team also provides the technical inputs as per the Project requirement which are shared with the top-level management for their approval.

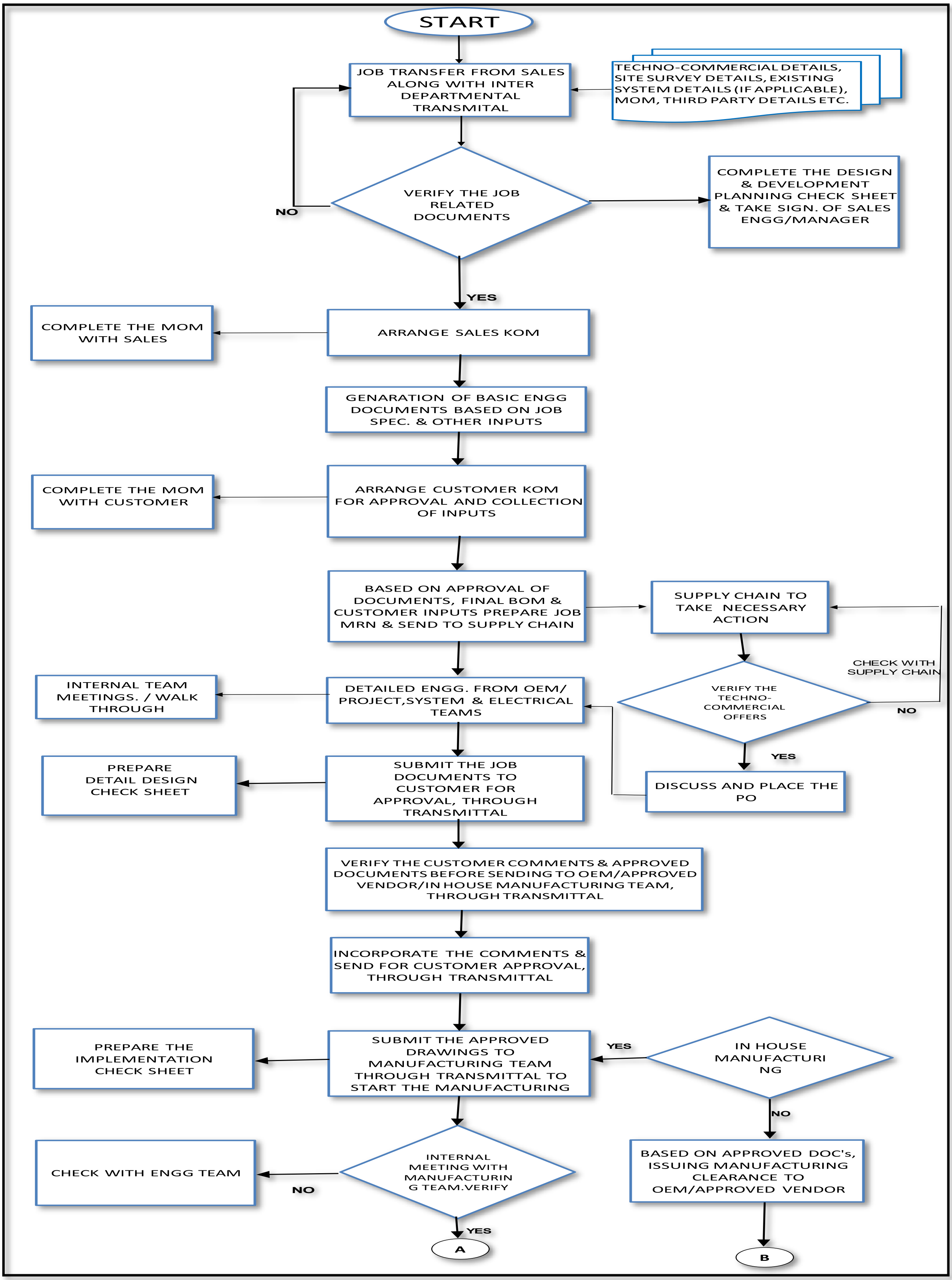
Step 6:
We submit our quotation to the private clients and also submit the techno-commercial bid for the government clients, as the case may be.

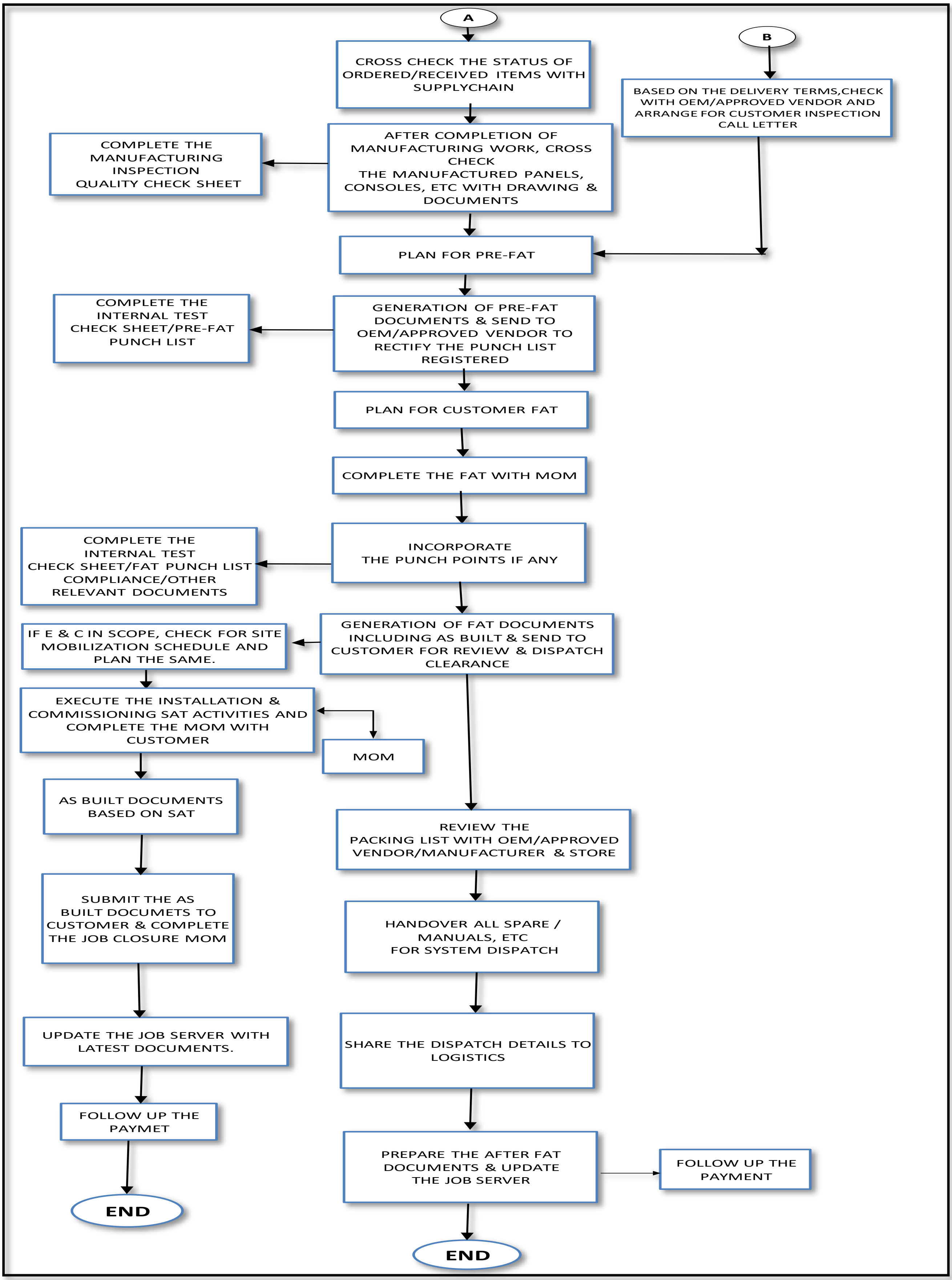
Step 7:
Techno-Commercial negotiation is done in this step. Once offers are submitted, we continuously follow up with Client for Technical Bid Evaluation (TBE) & if required our offers are revised based on the Technical Discussions to close the Project.

Step 8:
Upon receiving the Letter of Intent (LOI) as the lowest bidder (L1) for government projects, or upon receipt of a Purchase Order (PO) from private clients, both the LOI and PO undergo thorough review by the Proposal team. These documents are cross-checked against the final offer and any pre-sales agreements. If any discrepancies are identified, they are promptly discussed with the client to resolve the issues and reach a mutually acceptable agreement before the PO is finalized.

Step 9:
Proposal department consolidates & prepares all details/documents using Job Transfer Check sheet prior to transfer of the Job to the execution team. Transfer the Job to Project Management Team by sending an E-mail indicating list & type of document or by arranging Kick off meeting (KOM).

EXECUTION FLOWCHART FOR PROJECT MANAGEMENT TEAM





The above flowchart outlines a detailed **project execution and supply chain process**, from the initial transfer of job responsibilities to the final handover of the project. Here's an explanation of the flowchart, broken down into key steps:

1. **Job Transfer and Initial Setup**

- **Job Transfer from Sales:** The project begins with a formal transfer of job details from the sales team to the relevant departments. This is accompanied by an inter-departmental transmittal, ensuring all required departments are informed of the project.
- **Design & Development Planning:** The engineering team completes a planning check sheet, which outlines the design and development process. This is signed by the sales engineer/manager to confirm the plan.

2. **Initial Documentation and Kick-off**

- **Verify Job-Related Documents:** Before proceeding, the team ensures all necessary project-related documents are in place and accurate.
- **Arrange Sales Kick-off Meeting (KOM):** A meeting is held internally with the sales team to align all teams on the project scope, objectives, and timelines.

3. **Engineering and Basic Document Generation**

- **Generate Basic Engineering Documents:** Based on the job specifications and other inputs, the engineering team creates initial technical documentation to guide the project.
- **Customer Kick-off Meeting (KOM):** A similar meeting is arranged with the customer to approve initial documents and gather any additional inputs required for the project.

4. **Documentation Review and Approval**

- **Complete Minutes of Meeting (MOM) with Sales and Customer:** Detailed records of the discussions in the kick-off meetings are documented, which form the basis for further actions.
- **Approve Documents and Prepare Bill of Materials (BOM):** After getting approvals from the customer, the final BOM and any additional customer inputs are consolidated. A Material Requisition Note (MRN) is then sent to the supply chain team for procurement.

5. **Supply Chain and Detailed Engineering**

- **Supply Chain Action:** The supply chain department begins procurement and takes necessary actions based on the MRN.
- **Detailed Engineering:** The OEM (Original Equipment Manufacturer), project, system, and electrical teams start detailed engineering work based on the approved documents.

6. **Internal Coordination and Customer Submissions**

- **Internal Team Meetings/Walk-through:** The teams meet internally to ensure alignment on engineering outputs and to finalize project execution plans.
- **Submit Documents for Customer Approval:** The prepared job documents are sent to the customer for final approval through formal transmittals.

7. **Design Verification and Manufacturing Preparation**

- **Verify Customer Comments and Incorporate Changes:** The customer's comments on the submitted documents are incorporated, and the final version is sent for approval.
- **Submit Drawings to Manufacturing Team:** Once approved, the drawings are sent to the in-house or external manufacturing team to start production.
- **Prepare Implementation Check Sheet:** A checklist is prepared to guide the project's implementation phase.

8. **Manufacturing and Order Processing**

- **Issue Manufacturing Clearance:** The manufacturing team is given the go-ahead to start production after receiving clearance from the engineering team.
- **Verify Techno-commercial Offers:** The commercial and technical offers from suppliers are verified before placing orders.
- **Place Purchase Orders (PO):** POs are issued to suppliers or OEMs as necessary for the project.

9. **Manufacturing Execution and Quality Control**

- **In-house Manufacturing Begins:** The manufacturing process for panels, consoles, or other equipment begins in-house.
- **Check Ordered Items with Supply Chain:** The supply chain team verifies the status of ordered and received items to ensure all materials are available.
- **Cross-check Manufactured Panels:** Once manufacturing is complete, the manufactured items are verified against the engineering drawings and documents.

10. **Pre-Factory Acceptance Testing (Pre-FAT)**

- **Plan Pre-FAT:** Pre-FAT is planned to ensure that the product meets the customer's requirements before formal acceptance.
- **Generate Pre-FAT Documents:** Documents are generated and shared with the OEM or vendor to rectify any issues identified during Pre-FAT.
- **Complete Internal Test Check Sheet:** Internal tests are conducted, and a check sheet is completed to ensure the product meets all standards.

11. **Customer Factory Acceptance Testing (FAT)**

- **Plan Customer FAT:** After Pre-FAT, the final Factory Acceptance Test (FAT) with the customer is scheduled.
- **Complete FAT and Minutes of Meeting:** The FAT is conducted, and any issues (punch points) are noted for resolution. A formal record (MOM) is created.
- **Incorporate Punch Points:** Any issues raised during FAT are resolved and updated in the final product.

12. **Post-FAT and Dispatch**

- **Generate FAT Documents and Dispatch Clearance:** The final documents, including as-built drawings, are generated and sent to the customer for review and dispatch clearance.
- **Handover Spares and Manuals:** All project spares, manuals, and other documentation are handed over to the customer.
- **Share Dispatch Details with Logistics:** The details for shipping or dispatching the equipment are shared with the logistics team.

13. **Job Closure**

- **Submit As-Built Documents and Job Closure:** The final as-built documents are submitted to the customer, and a Job Closure MOM is completed, officially closing the project.
- **Update Job Server with Documents:** All relevant documents are uploaded to the internal job server for record-keeping and future reference.

14. **Quality and Payment Follow-up**

- **Follow-up on Payment:** Regular follow-ups are conducted to ensure timely payment from the customer.
- **Complete Manufacturing Inspection:** After manufacturing, a quality check sheet is completed, ensuring the product meets all requirements.
- **Customer Inspection Call Letter:** Depending on the delivery terms, the customer is invited for a final inspection.

15. **Site Mobilization and Installation (if applicable)**

- **Plan Site Mobilization:** If the scope includes installation and commissioning, a site mobilization schedule is prepared.
- **Execute Installation & Commissioning:** The installation and Site Acceptance Test (SAT) activities are completed, and an MOM is signed with the customer.

16. Final Handover

- **Review Packing List and Hand Over Documentation:** All packing lists are reviewed with the OEM/vendor/manufacturer before shipping. The final handover documents, including FAT reports, are provided to the customer.
- **Follow-up on Remaining Payments:** Once the project is delivered, any remaining payments are followed up with the customer.

PUBLIC-PRIVATE SECTOR WISE REVENUE

Our business generates revenue from both the public and private sectors, leveraging opportunities in diverse markets. This dual revenue stream allows us to maintain a balanced portfolio, providing stability and resilience against market fluctuations. In the private sector, we focus on flexibility, quicker decision-making, and relationship-building, while in the public sector, we engage in long-term, large-scale projects that offer consistency and security. The advantage of this approach lies in risk diversification and the ability to capitalize on both sectors' strengths. The sector wise revenue for the last 3 financial years is as hereunder:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Government/ Public Sector Undertakings	-	-	243.93	1.55%	625.07	6.00%	1,481.67	35.62%
Private	3,131.22	100.00%	15,541.49	98.45%	9,792.79	94.00%	2,677.47	64.38%
Total	**3,131.22**	**100.00%**	**15,785.42**	**100.00%**	**10,417.86**	**100.00%**	**4,159.14**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

GEOGRAPHIC REVENUE DISTRIBUTION

Our company generates revenue across various states in India and multiple countries internationally, highlighting our diverse market presence and operational reach. Over the last three financial years, we have expanded our footprint both domestically and globally, leveraging strategic opportunities in different regions. This broad geographic distribution of sales not only strengthens our market position but also helps mitigate regional economic fluctuations, ensuring a steady revenue stream.

The domestic sales data, as well as country-wise international sales for the past three financial years, showcase our ability to adapt and thrive in different markets, aligning with the varied demands of each location. This global and domestic diversification contributes significantly to our overall financial stability and growth.

State-wise revenue distribution:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Karnataka	1,329.19	80.60%	1,245.47	71.36%	1,050.14	62.04%	245.95	14.24%
Tamil Nadu	61.75	3.74%	186.93	10.71%	56.27	3.32%	147.58	8.54%
Bihar	-	-	178.70	10.24%	372.28	21.99%	496.22	28.72%
Maharashtra	12.40	0.75%	119.13	6.83%	213.92	12.64%	837.87	48.50%
West Bengal	-	-	7.69	0.44%	-	-	-	-
Rajasthan	-	-	7.33	0.42%	-	-	-	-
Andhra Pradesh	245.68	14.90%	-	-	-	-	-	-
Total	**1,649.02**	**100.00%**	**1,745.24**	**100.00%**	**1,692.61**	**100.00%**	**1,727.62**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

Country-wise revenue distribution:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Revenue	March 31, 2024	% of Total Revenue	March 31, 2023	% of Total Revenue	March 31, 2022	% of Total Revenue
Kuwait	645.22	20.61%	14,019.52	88.81%	8,704.89	83.56%	2,431.52	58.46%
India	1,649.02	52.66%	1,745.24	11.06%	1,692.61	16.25%	1,727.62	41.54%
Singapore	7.69	0.25%	20.66	0.13%	-	-	-	-
Bahrain	829.29	26.48%	-	-	18.00	0.17%	-	-
Nigeria	-	-	-	-	2.41	0.02%	-	-
Total	**3,131.22**	**100.00%**	**15,785.42**	**100.00%**	**10,417.86**	**100.00%**	**4,159.14**	**100.00%**

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OUR CUSTOMERS

The following is the breakup of the top five and top ten customers/suppliers of our Company for the period ended September 30, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022:

₹ in lakhs

Particulars	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
Top Customers								
Top 5 Customers	2807.06	89.65%	15089.14	95.59%	9741.31	93.51%	4117.37	99.00%
Top 10 Customers	3100.02	99.00%	15598.33	98.81%	10346.96	99.32%	4159.14	100.00%
Top Suppliers								
Top 5 Suppliers	1340.10	80.25%	7427.74	60.99%	6289.17	78.94%	1054.37	54.80%
Top 10 Suppliers	1463.72	87.65%	9830.00	80.71%	6901.13	86.62%	1336.05	69.44%

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

ORDER BOOK

In our industry, the Order Book serves as a key indicator of future performance, as it reflects a portion of our anticipated revenue streams. We have consistently achieved and maintained a robust Order Book by focusing on our core competencies and successfully securing new projects across diverse segments. As of the date of the Draft Red Herring Prospectus, our Order Book includes a diverse range of projects across multiple states in India and international markets. As of 10/01/2025, the company has an outstanding order book of ₹ 27,500.32 lakhs, comprising domestic orders worth ₹ 2,695.56 lakhs and export orders worth ₹ 24,804.76 lakhs. This clientele includes a mix of globally recognized corporations, renowned Indian industrial entities, and government-owned enterprises, reflecting the company's strong market presence and credibility.

A strong order book offers several advantages. It provides a clear forecast of future revenue streams, ensuring financial stability and enabling better resource planning. It also enhances the company's reputation in the industry, showcasing reliability and long-term partnerships with clients. Additionally, it offers the ability to negotiate better terms with suppliers and subcontractors, given the visibility of a steady workflow. A robust order book is a testament to our strategic capabilities and operational efficiency.

The Order Book information included in this Draft Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. We may not be able to achieve our expected margins or may even suffer losses on one or more of these contracts or we may not be able to realize the revenues that we anticipated in such projects. For further details, see ***"Risk Factors – Our Order Book may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations"*** on page 29 of this Draft Red Herring Prospectus.

Details of few notable projects Completed by our Company since inception:

Sr. No	Name of the Project / Description of work	Location	Type of Industry	Value of Project (in ₹ Lakhs)	Completion Year
01	**Electrical works of GSF/GRIP/GCP unit of Oil and Gas unit:** Design & installation of Electrical system for greenfield project from 11KV to 415 V Switchgear, 3.3 KV Soft Starters, UPS, Neutral Grounding Resistors, Generator Control Panels, Instrumentation Cables etc.	Kuwait	Oil & Gas	1125.00	2011
02	**Electrical & Instrumentation works for Food Processing unit:** Supply and Installation of Electrical system like Lighting, Power and control cabling, Instrument cabling and calibration, HT and LV works, DG synchronization etc.	Samalkha, India	Food Process	623.60	2012
03	**Power Redistribution project for a large Electronics unit:** Design, Engineering of critical power requirement, supply of 3 MVA UPS, LV Panels, associated relay coordination works, Cabling etc.	Mysore, Karnataka, India	Electronics	509.46	2014
04	**Composite work for a chemical unit:** Design, Engineering, Supply, Installation and commissioning of Civil, Electrical, Fire Protection & Detection system	Ahmedabad, Gujarat, India	Chemical	990.65	2013
05	**Fire Protection & Detection system for a large hospital** Supply, Installation, testing and commissioning of Fire Sprinkler System at a Hospital	Manipal, Karnataka, India	Infra	440.55	2014
06	**Electrical works for a large Vaccine Manufacturing Unit:** Supply and Installation of Electrical system like HV/LT Switchgears, Lighting, Transformers, Power and control cabling, Instrument cabling and calibration, HT and LV works, DG synchronization etc.	Chengalpetu, Tamil Nadu, India	Pharma	1896.93	2018
07	**Electrical works for a large Natural Gas production unit:** Supply and Installation of Electrical system like HV/LT Switchgears, Lighting, Transformers, Power and control cabling, Instrument cabling and calibration, HT and LV works, NGR	Agartala, Tripura, India	Oil & Gas	832.00	2019
08	**Electrical and Automation works for a large Oil & Gas unit (JPF3)** Design, Engineering, Supply & Commissioning of HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E Scada System etc.	Kuwait	Oil & Gas	5340.00	2018
09	**Electrical works for Défense & Space Unit :** Supply and Installation of Electrical system like LT Switchgears, Lighting, Transformers, Power and control cabling, Instrument cabling and calibration, HT and LV works, DG synchronization etc.	Mahendragiri, Tamil Nadu, India	Space Research	368.65	2021

Sr. No	Name of the Project / Description of work	Location	Type of Industry	Value of Project (in ₹ Lakhs)	Completion Year
10	**Electrical and Mechanical works for a large LPG Bottling plant:** Supply and Installation of Electrical system like HV/LT Switchgears, Lighting, Transformers, Power and control cabling, Instrument cabling and calibration, HT and LV works, Instrumentation works etc.	Solapur, Maharashtra, India	Refinery	2055.70	2023
11	**Upgradation of JPF3 facility** Design, Engineering & Supply and Commissioning of HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E-Scada System etc.	Kuwait	Oil and Gas	2431.52	2022
12	**Supply and Erection** of Electrical and Instrumentation works for Offsite and Utilities at HURL Barauni Bihar	Bihar	Chemicals & Fertilizers	1877.95	Private
13	**Modular Substation and Automation work for large Oil & Gas unit (JPF4 and JPF5)** Design, Engineering & Supply and Commissioning of Modular Substations complete with HVAC System, Fire detection and suppression systems, HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E Scada System etc.	Kuwait	Oil & Gas	22130.77	2024
14	**Automation & Erection & commissioning works for a Steel Manufacturing unit:** Design, Engineering, Supply and commissioning of automation system, Supply of LV panels & Erection and commissioning of the electrical system	Hospet, Karnataka, India	Metals	390.00	2024

Details of Key Ongoing Projects (including projects in pipeline) of the Company:

Sr. No	Type of Work	Location	Type of Industry	Value of Project (in ₹ Lakhs)	Private/ Public Sector
01	**Fire Protection & Detection system for a large hospital** Supply, Installation, testing and commissioning of Fire Sprinkler System at a Hospital	Manipal Karnataka, India	Infra	530.47	Private
02	**Electrical and Automation work for water distribution utility:** Design, Engineering & Supply and Commissioning, LV switchgears, MV VFDs, LV VFDs, Automation system, Cables & installation.	Bahrain	Utility	10236.25	Private
03	**Annual Shut down maintenance and technical services**	Bahrain	Metals	821.32	Private
04	**Annual Shut down maintenance and technical services**	Bahrain	Metals	816.09	Private
05	**Electrical works for Power Utility unit:** Supply and Installation of 1x10 MVA, 110/11KV Sub-Station.	Kuppagadde, Karnataka	Power	1011.45	Private

Sr. No	Type of Work	Location	Type of Industry	Value of Project (in ₹ Lakhs)	Private/ Public Sector
06	**Depletion Compression System (SRU) for- EPF50 & JPF3** Design, Engineering & Supply and Commissioning of Modular Substations complete with HVAC System, Fire detection and suppression systems, HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E-Scada System etc.	Kuwait	Oil and Gas	8348.50	Private
08	**Upgradation of JPF4 facility** Design, Engineering & Supply and Commissioning of HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E-Scada System etc.	Kuwait	Oil and Gas	599.51	Private
09	**BTGP-PDO** Design, Engineering & Supply and Commissioning of Modular Substations complete with HVAC System, Fire detection and suppression systems, HT/MV/LV switchgears, MV Soft Starters, UPS, Transformers, E-Scada System etc.	Kuwait	Oil and Gas	5365.12	Private

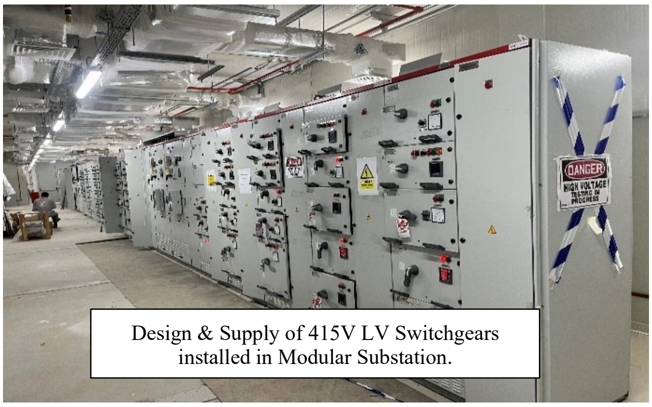
PHOTOS OF OUR FEW COMPLETED AND ONGOING PROJECTS

Design & Supply of Modular Substation including HVAC, Fire Detection & Fire Suppression System

JPF 4 Modular Substation External View

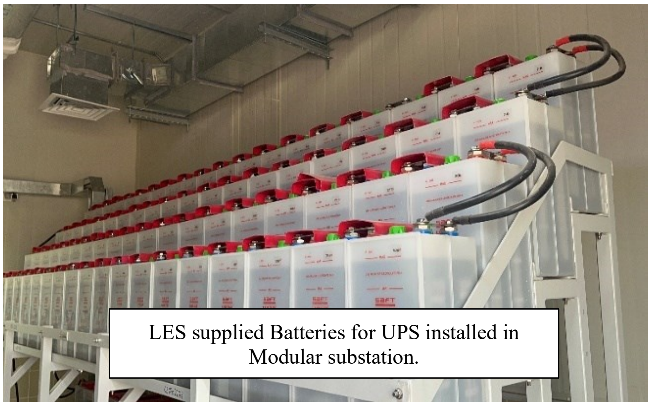
Design & Supply of 3.3kV MV Switchgears, installed in Modular Substation.

MV Panels



Design & Supply of 415V LV Switchgears installed in Modular Substation.

LV Panels

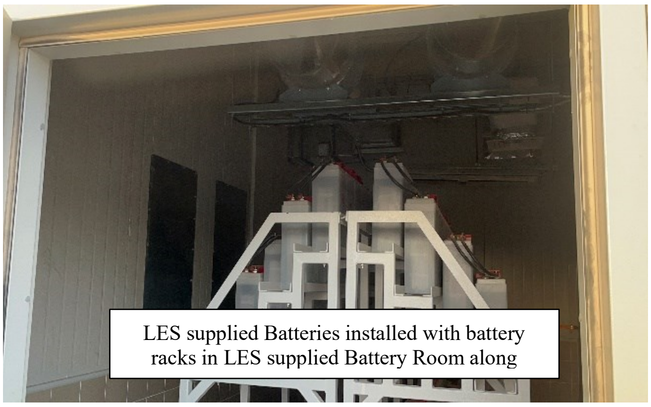


LES supplied Batteries for UPS installed in Modular substation.

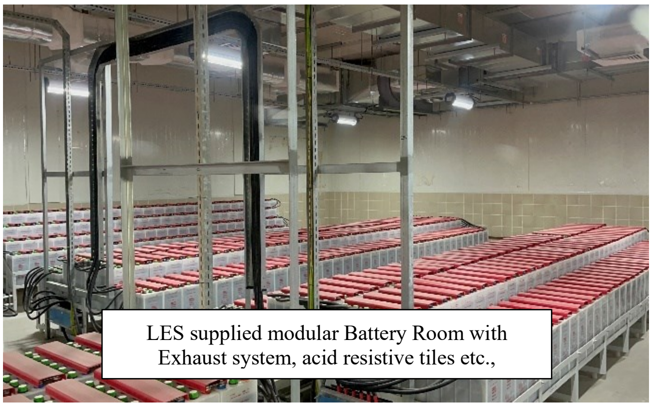
Battery Room

Design & Supply of Fire suppression gas cylinders installed in Cylinder Room.

Gas Suppression System



LES supplied Batteries installed with battery racks in LES supplied Battery Room along



LES supplied modular Battery Room with Exhaust system, acid resistive tiles etc.,

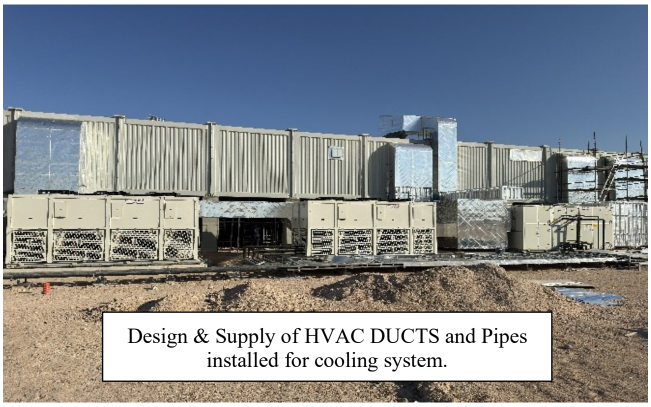
JPF 4 Modular Substation Internal View

Design & Supply of HVAC System with AHU & ACC units installed for Modular substation.

HVAC Units

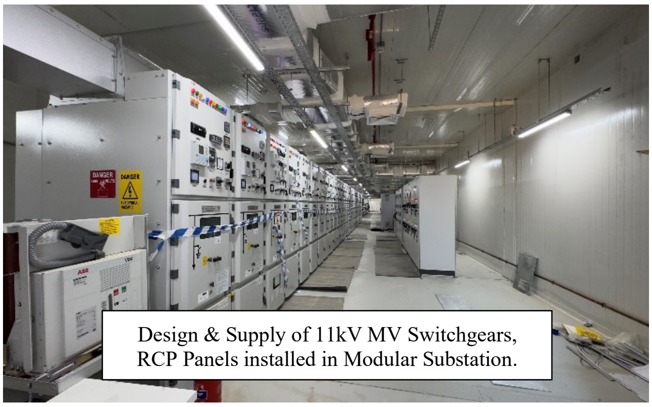
Design & Supply of Transformers installed with Transformer Shelter.

Transformer Shelter



Design & Supply of HVAC DUCTS and Pipes installed for cooling system.

HVAC Systems

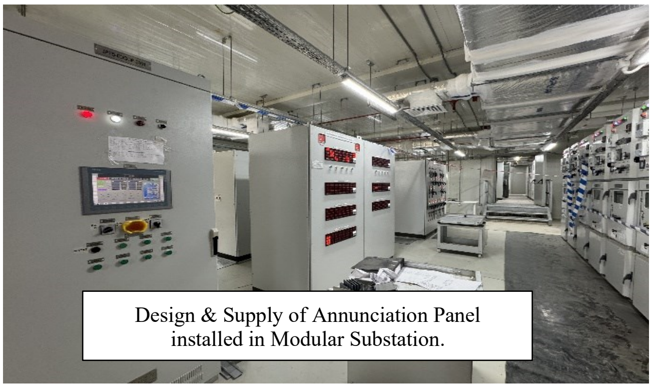


Design & Supply of 11kV MV Switchgears, RCP Panels installed in Modular Substation.

MV Panels

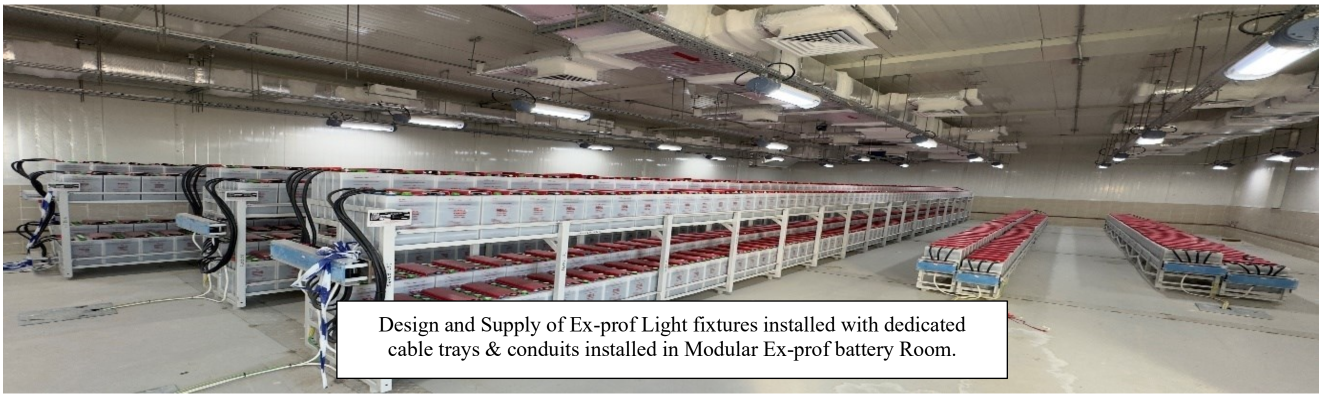
Battery with battery rack, Battery Isolators installed in Modular battery Room.

Battery Room



Design & Supply of Annunciation Panel installed in Modular Substation.

LV Panels and Annuciator Panels



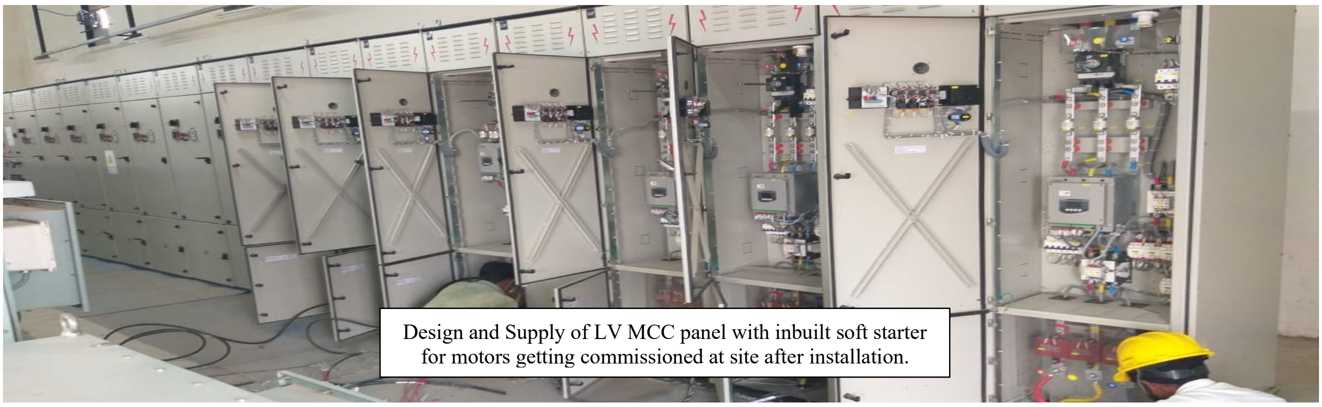
Design and Supply of Ex-prof Light fixtures installed with dedicated cable trays & conduits installed in Modular Ex-prof battery Room.

Explosion Proof Battery Room with Explosion Proof Lighting System

JPF 5 Sub-Station (Both External & Internal View)

Design and Supply of Generator fuel tank installed with custom fabricated stack at site.

Fuel Tank for Generators



Design and Supply of LV MCC panel with inbuilt soft starter for motors getting commissioned at site after installation.

LV MCC Panels under Commissioning

Design and Supply of Generator with synchronizing system installed with custom fabricated exhaust stack at site with safety platform for maintenance.

Generator with Exhaust Stack


Design and Supply of Cables, cable tray & cover installed on engineered supports. Along with civil pulpit and overhead cable tray support bridge for road crossing.

External Cabling System on Cable Trays

PLANTS, MACHINERIES AND PROCESSING FACILITIES

Across various industries, both in India and abroad, our company has strategically opted to hire equipment locally on-site rather than owning it. This decision enhances our operational efficiency and strengthens our ties with local communities. By renting machinery from local sources, we foster cooperative partnerships, gaining community support and minimizing potential challenges. This approach offers operational flexibility, enabling us to choose the most suitable equipment for each project while avoiding the burden of owning and maintaining a fleet of machinery.

The cost-effectiveness of this model is clear as it reduces the need for substantial upfront investments and eliminates ongoing maintenance expenses. We can also access the latest technology and state-of-the-art machinery without the need for continuous upgrades. Additionally, local equipment often comes with skilled operators familiar with both the machinery and the local area, ensuring safety and efficiency. This strategy also minimizes transportation and storage costs, reduces our environmental impact, and ensures timely project completion, positioning us to deliver high-quality results consistently.

RAW MATERIAL PURCHASES

Our company procures a wide range of raw materials essential for the execution of our EPCC (Engineering, Procurement, Construction, and Commissioning) projects. To ensure the highest quality and reliability in our operations, we have developed and maintained an extensive database of noteworthy vendors. This network spans across India and various international markets, allowing us to source materials efficiently and competitively. Our strong relationships with these vendors enable us to meet the diverse needs of our projects while maintaining high standards of quality and timely delivery.

Bifurcation of both domestic and international purchases

State-wise purchase distribution:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Purchases	March 31, 2024	% of Total Purchases	March 31, 2023	% of Total Purchases	March 31, 2022	% of Total Purchases
Karnataka	352.66	29.50%	2,565.25	54.48%	687.74	15.63%	430.61	23.16%
Maharashtra	54.03	4.52%	1,035.97	22.00%	3,165.18	71.92%	640.88	34.46%
Haryana	-	-	559.51	11.88%	0.42	0.01%	153.49	8.25%
Tamil Nadu	767.82	64.22%	433.46	9.21%	124.62	2.83%	103.29	5.55%
Gujarat	5.82	0.49%	52.38	1.11%	140.48	3.19%	378.49	20.35%
Delhi	-	-	29.50	0.63%	249.85	5.68%	4.49	0.24%
West Bengal	0.50	0.04%	28.24	0.60%	0.23	0.01%	142.07	7.64%
Bihar	-	-	4.02	0.09%	0.40	0.01%	-	-
Uttar Pradesh	14.70	1.23%	0.16	0.00%	3.60	0.08%	0.04	0.00%
Telangana	-	-	-	-	27.43	0.62%	3.15	0.17%
Rajasthan	-	-	-	-	1.05	0.02%	3.00	0.16%
Kerala	-	-	-	-	-	-	0.09	0.00%
Total	**1,195.52**	**100.00%**	**4,708.50**	**100.00%**	**4,400.99**	**100.00%**	**1,859.61**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

Country-wise purchase distribution:

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Purchases	March 31, 2024	% of Total Purchases	March 31, 2023	% of Total Purchases	March 31, 2022	% of Total Purchases
India	1,195.52	71.59%	4,708.50	38.66%	4,400.99	55.24%	1,859.61	96.65%
Turkey	-	-	3,358.78	27.58%	2,702.73	33.92%	-	-
Germany	9.66	0.58%	1,595.87	13.10%	273.01	3.43%	-	-
Kuwait	458.90	27.48%	1,566.75	12.86%	126.39	1.59%	-	-
Oman	-	-	497.75	4.09%	430.92	5.41%	52.31	2.72%
Bahrain	-	-	451.75	3.71%	16.87	0.21%	-	-
UAE	-	-	-	-	16.55	0.21%	12.16	0.63%
Singapore	5.90	0.35%	-	-	-	-		-
Total	**1,669.96**	**100.00%**	**12,179.39**	**100.00%**	**7,967.45**	**100.00%**	**1,924.08**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

Purchase bifurcation based on Domestic and Import

Particulars	For the period/year ended on (₹ in lakhs)							
	September 30, 2024	% of Total Purchases	March 31, 2024	% of Total Purchases	March 31, 2023	% of Total Purchases	March 31, 2022	% of Total Purchases
Domestic	1,195.52	65.89%	4,708.50	38.66%	4,400.98	55.24%	1,859.61	96.65%
Imports	619.00	34.11%	7,470.89	61.34%	3,566.47	44.76%	64.47	3.35%
Total	**1814.52**	**100.00%**	**12179.39**	**100.00%**	**7967.45**	**100.00%**	**1924.08**	**100.00%**

As certified by our statutory auditor having peer review certificate M/s. Rao Associates, Chartered Accountant vide their examination report dated December 27, 2024

MARKETING

Our company undertakes projects through both competitive bidding processes and by leveraging the strong relationships established by our Promoters, with robust support from our Senior Management team. These relationships span across renowned public, government, and private companies. The effectiveness of our marketing and sales network plays a pivotal role in the company's success, with the foundation of our business built upon the strength of these relationships. Our Promoters' connections with customers and stakeholders have been key drivers of growth. Coupled with the efforts of our experienced team, who utilize traditional word-of-mouth and reference-based marketing, we have expanded our platform through the consistent, timely, and quality delivery of work orders.

Government and private sector clients often publicize potential projects through leading national newspapers and official websites. Our team regularly monitors these sources and evaluates opportunities based on a variety of factors. These include the client's reputation and financial standing, project location and its logistical challenges, our current and anticipated workload, the potential for future engagements, estimated project costs and profitability, and our competitive positioning relative to other bidders. This careful analysis ensures we pursue projects that align with our strategic goals and capabilities.

INSTALLED CAPACITY & CAPACITY UTILIZATION

Our operational capacity is directly dependent on the strength and expertise of our workforce, rather than any fixed output from plant and machinery. As such, conventional metrics for determining capacity and capacity utilization are not applicable to our business model. Given that we operate within the service sector, our performance is driven by human resources, project-specific requirements, and the dynamic nature of the services we provide.

In this context, capacity is fluid and scalable, adjusting according to the demands of each project. Our ability to execute projects efficiently relies on deploying the right teams with the appropriate skills, rather than being limited by machinery or fixed assets. Consequently, traditional measures of capacity utilization, which are often tied to manufacturing processes and physical production, do not apply to our business operations. Instead, we focus on optimizing human capital and resource allocation to ensure the successful delivery of projects.

UTILITIES

Infrastructure: Our Registered Office and Assembly Unit are well equipped with computer systems, internet connectivity, Servers with dual back up, ERP systems, licensed utility software required for design and engineering, other communication equipment and security & surveillance which are required for our business operations.

Power: We have established reliable arrangements for a consistent power supply at our office premises, primarily relying on state electricity to meet our energy needs backed up by 100% generator in the event of power failure. To ensure uninterrupted operations during power outages or emergencies, we utilize ups as a backup. For our on-site project locations, the electricity and power requirements are provided and managed by the respective clients, ensuring seamless execution of our projects without disruption.

Water: Water at our existing premises is required solely for drinking and sanitary purposes, and we have sufficient water resources available to meet these needs. For our EPC projects, the responsibility for providing water at the project site lies with the client, ensuring that all necessary resources are in place for smooth operations.

HUMAN RESOURCE

At LESL, we highly value our human resources and recognize their crucial role in our industry. Our well-structured organization plan aims to foster their growth and motivation. With a prudent mix of experienced and young professionals, we benefit from both stability and growth. Our skilled and diverse workforce, along with efficient work processes, has enabled successful execution of our growth plans. Our employees are located at our offices and various project sites across the country to cater to the specific requirements of our clients based in different geographical areas. Our success depends upon our ability to recruit, train and retain high quality professionals. We have not experienced any significant industrial or employee related disputes till date.

As on December 31, 2024 the Company have employed 79 employees, the department wise details of whom are as hereunder:

Category	No. of Employees
Executive Directors	3
Operations	1
Supply-Chain Management	8
Finance	4
Sales	3
HR	1
Administration	7
Pre-sales and Proposals	7
Quality Assessment & Health Safety & Environment	2
Information Technology	1
Secretarial (Company Secretary)	1
Project Design & Engineering	38
Contractual	3
Total	**79***

Casual laboures are engaged on need basis
** 170 persons are covered under Provident Fund which includes Labours*

COMPETITION

Our company operates in a highly competitive market, characterized by a diverse range of players, from small enterprises to large regional, national, and international firms. The competitive environment is shaped by key factors such as service quality and pricing, both of which play a critical role in influencing clients' choices of service providers.

We recognize that delivering exceptional service quality is essential to thriving in this competitive landscape. With our extensive industry experience, we are well-positioned to meet and exceed customer expectations consistently. While pricing remains a key determinant for many clients, we strategically offer competitive and value-driven pricing structures to attract and retain clientele.

Although we operate in a market alongside competitors offering similar services, our diversified portfolio sets us apart. It enables us to cater to a wide range of client needs, providing a broader scope than competitors with more specialized offerings. As we navigate this competitive environment, our unwavering commitment to quality, innovation, and customer satisfaction continues to be at the forefront of our strategy. We understand the challenges posed by such a dynamic market and remain confident that our approach will allow us to excel amid competition.

COLLABORATION/TIE UPS/JOINT VENTURES

Our company has established strategic partnerships with several renowned companies to facilitate the supply of essential materials and equipment required for their on-site operations. These collaborations are designed to create a cost-efficient procurement model that eliminates the need for significant upfront investments in inventory and resources. By leveraging these partnerships, the company gains access to cutting-edge technologies and high-quality materials without the financial burden of outright ownership. This approach not only optimizes operational costs but also ensures that our company remains agile and adaptable to evolving industry demands, maintaining a competitive edge in delivering state-of-the-art engineering solutions.

EXPORT AND EXPORT OBLIGATION

Our Company generate huge revenue from exports, especially from Middle East region. For further details please refer ***"Our Business"*** chapter beginning on page 130 of Draft Red Herring Prospectus.

AFTER SALES SERVICE

Our company offers comprehensive after-sales support to ensure customer satisfaction and the smooth operation of our products. Each product is backed by a standard warranty that extends for 18 months from the date of supply or 12 months from the date of commissioning, whichever comes first. This warranty covers any manufacturing defects or issues that may arise during normal use, ensuring that our customers receive reliable and high-performing products.

Beyond the warranty period, we provide ongoing support through our Operation and Maintenance (O&M) services. These services are designed to offer expert assistance for any additional maintenance, repairs, or enhancements needed to extend the lifespan and optimize the performance of the products. Our O&M services are available on a chargeable basis, allowing customers to continue benefiting from professional care and support long after the warranty has expired.

DETAILS OF IMMOVABLE PROPERTIES

Address	Leased/ Rented/Owned	Lessor/Seller	Area of Property	Tenure of Lease	Usage
496, "Chaithanya Dhriti Rudresh", 6th Main, 8th Cross, Vijayabank Layout, Bengaluru Karnataka -560076.	Rented	Bigleap Ventures & Consultancy Services	6,536 sq.ft.	Up to 21st December, 2025 (11 months)	Registered office
Ground Floor, 11,12 & 16, Yelenahalli, Begur Hobli, Koppa Road, Suraksha Nagar, Akshaya Nagar, Bengaluru-560076	Rented	M/s Leapfrog Automation and Control System	5,000 sq.ft.	Up to 28th February, 2025 (11 months)	Assembly unit

INSURANCE

Policy No.	Name of the Insurer	Policy Type	Asset Insured	Sum Assured (₹ in lakhs)	Valid Till
Master Policy No. 1901826004* Certificate No. 50011926	TATA AIG General Insurance Company Limited	Home Protect Policy	No. A 2103, 21st Floor, A Block, Mantri Serinity Apartments, Doddakalasandra Off Kanakapura Road, Bangalore Karnataka-560062*	₹ 382.88 lakhs	11/08/2025
Master Policy No. 1901826004* Certificate No. 50011924	TATA AIG General Insurance Company Limited	Home Protect Policy	No. C1 805, 8th Floor, L and T Southcity Apartment, T MICO Layout, 2nd stage Arekere Off, Bannergatta Road, Bangalore, Karnataka-560076*	₹ 201.16 lakhs	09/08/2025
P/141226/01/ 2025/000010	Star Health and Allied Insurance Co Ltd	Group Health Insurance	191 Persons (76 Employees + 115 Dependents)	₹ 380.00 lakhs	16/12/2025
Group Policy No. 275	CreditAccess Life Insurance Limited	Credit Access Sarvochch Nidhi	Gratuity Insurance for 72 members	₹ 7.20 lakhs	04/08/2025
5182232218	TATA AIG General Insurance Company Limited	Business Guard Sookshma Package	Fire Building and/or Contents, Terrorism, Burglary and Public Liability of Furniture & Fixtures of 1st Floor, 496, "Chaithanya Dhriti Rudresh", 6th Main, 8th Cross, Vijaya Bank Layout, Bengaluru Karnataka -560076.	₹ 113.00 lakhs	24/06/2025
5182308500	TATA AIG General Insurance Company Limited	Business Guard-Commercial Package (Small Business Solutions)	Fire, Burglary and other liability of Stocks of 1st Floor, 496, "Chaithanya Dhriti Rudresh", 6th Main, 8th Cross, Vijaya Bank Layout, Bengaluru Karnataka -560076.	₹ 922.00 lakhs	24/02/2025
6044003124 10000097	National Insurance Company Limited	Motor Goods Carrying Vehicle Policy	TATA 207 DI Regn. No. KA-01-MG-4421	₹ 1.20 lakhs	07/04/2025

Policy No.	Name of the Insurer	Policy Type	Asset Insured	Sum Assured (₹ in lakhs)	Valid Till
0704003123P 115802920	United India Insurance Company Ltd	Private Car Insurance	Tata Nexon Regn. No. KA-05-NG-5236	₹ 10.70 lakhs	28/02/2025
62027541940000	TATA AIG General Insurance Company Limited	Auto Se cure - Standalone Own Damage Private Car Policy	Mercedes-Benz/GLB Class Regn. No. KA-05-NG-8705	₹ 54.55 lakhs	14/04/2025
0704003124P 116320190	United India Insurance Company Ltd	Motor Insurance	Activa 6G Scooty Regn. No. KA-51-HV-9149	₹ 0.60 lakhs	19/01/2026
0704003124P 113621969	United India Insurance Company Ltd	Motor Insurance	Activa 6G Scooty Regn. No. KA-51-HV-9146	₹ 0.60 lakhs	19/01/2026

** The said properties are owned by the promoters of the company. These properties are offered to the bank as collateral for obtaining CC limit for working capital requirement of the company.*

INTELLECTUAL PROPERTY RIGHTS

Trademarks:

Trademark	Registration No/ Application No	Class of Registration	Trademark Type	Date of Issue/ Application	Valid Upto	Status
LeapFrog	2479976	42	Device	February 18, 2013	--	Opposed
Leapfrog	6123648	37	Word	September 25, 2023	--	Objected
leapfrog Engineering Services	6806749	37	Device	January 16, 2025	--	Formalities Chk Pass

Domains:

Domain Name	Registrar ID	Creation Date	Expiry Date
Lesgroup.in	Leapfrog Engineering Services Pvt Ltd/41101328	June 06, 2012	June 06, 2026

KEY INDUSTRY REGULATIONS AND POLICIES

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

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

In addition to what has been specified in this Draft Red Herring Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled ***"Government and Other Approvals"*** *beginning on page no 282 of this Draft Red Herring Prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled ***"Government and Other Approvals"*** *beginning on page number 282 of this Draft Red Herring Prospectus.*

APPLICABLE LAWS AND REGULATIONS

LAWS RELATING TO INDUSTRY

Industries (Development and Regulation) Act, 1951, as amended ("IDR Act")

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Commerce and Industry, Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT). The main objectives of the IDR Act are to empower the Government to take necessary steps for the development of industries, to regulate the pattern and direction of industrial development, and to control the activities, performance and results of industrial undertakings in the public interest. The DPITT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

The Bureau of Indian Standards Act, 2016

The Bureau of Indian Standards Act, 2016 ("BIS Act") provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME") the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed fifty crore and turnover does not exceed two hundred and fifty crore rupee.

Bureau of Indian Standards Rules, 2018 (the "Bureau of Indian Standards Rules").

The Bureau of India Standards Rules, 2018, as amended, have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

Consumer Protection Act, 2019 ("COPRA, 2019")

The CPA came into effect on December 24, 1986. It aims to reinforce the interests and rights of consumers by laying down a mechanism for speedy consumer grievance redressal. A consumer, his legal heir or representative, as defined under the CPA including a person who avails of any services for a consideration which has been paid in full or part or promised to be paid, any voluntary consumer association registered under any applicable law or numerous consumers having the same interest, or the Central or State Government may lodge a complaint before the district forum or any other appropriate forum under CPA, inter alia, for:

(i) Defective or spurious goods or services;
(ii) Unfair or restrictive trade practices;
(iii) Deficiency in services hired or availed;
(iv) Manufacture or provision of hazardous goods/services; and
(v) Misleading or false warranties or guarantee or representations by the manufacturer/service provider. In addition to awarding compensations and/or corrective orders, the forums and commissions under CPA are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

The Factories Act, 1948 ("Factories Act")

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administrating factories situated in such states ("Factories Rules"). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register such factory. Separate license needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is prohibition on employing children below the age of 14 (fourteen) years in a factory.

The Sale of Goods Act, 1930

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

Legal Metrology Act, 2009 (the "Metrology Act")

The "Legal Metrology Act, 2009" (referred to as the "Metrology Act"), as amended, was established to set and enforce standards for weights and measures. It aims to regulate trade and commerce involving goods that are sold or distributed by weight, measure, or number. The Metrology Act governs transactions and contracts related to goods or specific classes of goods, ensuring that they adhere to the weight, measurement, or number standards prescribed by the Act. The exact details regarding the denominations of weight for goods involved in transactions are determined by individual state rules and regulations.

The Registration Act, 1908

The Registration Act, 1908 ("Registration Act") was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

The Specific Relief Act, 1963

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019 (the "Code")

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (I) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees' and allows the Central Government to set a minimum statutory wage**.**

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

  Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them.

  The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

  The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the "PoB Act")**

  The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

  The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

Industrial Relations Code, 2020

The Government of India enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947**

  The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a lab or court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

- **Trade Unions Act, 1926**

  Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the "Standing Orders")**

  The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimalize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressed for workmen in different.

Code on Social Security, 2020

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee's Compensation Act, 1923**

  The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

- **Employee's State Insurance Act, 1948**

  It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**

  The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

  The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

  The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 is a significant piece of legislation that aims to regulate the employment of contract labour in certain establishments and provide for its abolition in certain circumstances. This Act, enacted in 1970, sets out provisions to ensure the welfare and rights of contract labourers, as well as to prevent exploitation in the realm of contract labour. the Contract Labour (Regulation and Abolition) Act, 1970 plays a crucial role in safeguarding the rights of contract labourers, regulating their employment, and ensuring fair practices in establishments where contract labour is utilized.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")

The "CLPR Act" seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

Fire Prevention Laws and The National Building Code of India, 2016

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. the National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

The Private Warehouse Licensing Regulations, 2016 (the "Warehouse Licensing Regulations")

Warehouse Licensing Regulations provides for the licensing of private warehouses by the principal commissioner of customs or the commissioner of customs. The Warehouse Licensing Regulations lay down the conditions to be fulfilled for an applicant to be granted a license and also provide for the term of the license, its non-transferable nature and the procedure for its surrender.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition)
- Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 (“EC Act”) and the rules framed thereunder
- Minimum Wages Act, 1948 (“MWA”) and the rules framed thereunder.

<u>ENVIRONMENT RELATED LAWS</u>

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an “umbrella”; legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Environmental Impact Assessment Notification, 2006 (the “Notification”)

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

The Municipal Solid Wastes (Management and Handling) Rules, 2000 ("Waste Management Rules, 2000") as superseded by Solid Waste Management Rules, 2016 ("Waste Management Rules, 2016")

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act places responsibility on those who own or control hazardous substances for any damage resulting from accidents involving such substances. A roster of hazardous substances falling under the scope of this law is outlined through government notifications. The owner or handler of these substances is additionally mandated to acquire an insurance policy that covers liability in connection with the act. Rules established under the Public Liability Act dictate that the employer is obligated to contribute to the environmental relief fund, an amount equivalent to the premium paid for insurance policies. This contribution is payable to the insurer.

GENERAL CORPORATE COMPLIANCE

The Companies Act, 2013

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, the procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Registration Act, 1908

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

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

ANTI-TRUST LAWS

Competition Act, 2002 (the "Act")

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti- competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

TAX RELATED LEGISLATIONS

Customs Act, 1962 and the Private Warehouse Licensing Regulations, 2016

The provisions of the Customs Act, 1962, as amended (the "Customs Act") apply at the time of import or export of goods. Under the Customs Act, the Central Board of Excise and Customs ("CBEC") is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as the Inland Container Depot ("ICD"). Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Commissioner of Customs until they are cleared for home consumption or warehouse or transhipped. The said Act contains provision for levying the custom duty on imported goods, export goods, goods which are not cleared, goods warehoused or transhipped within 30 days after unloading etc. It also provides for storage of imported goods in warehouses pending clearance, for goods in transit etc., subject to prescribed conditions.

Central Goods and Services Tax Act, 2017 (the "GST Act")

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Income-tax Act, 1961 ("Income Tax Act")

The Income Tax Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc.

INTELLECTUAL PROPERTY LEGISLATIONS

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. An application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

Designs Act, 2000 ("Designs Act")

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights.

Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

OTHER LAWS

Foreign Direct Investment

Regarding "Foreign Direct Investment" (FDI), the Indian government has periodically communicated its policies through press notes and releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (referred to as "DIPP"), issued the consolidated "FDI Policy Circular of 2020" ("FDI Policy 2020"), which came into effect on October 15, 2020. This comprehensive policy consolidated and superseded all previous press notes, press releases, and clarifications on FDI policy issued by the DIPP. The government intends to update this consolidated circular on FDI policy annually, with FDI Policy 2020 remaining valid until the issuance of an updated circular.

The "Reserve Bank of India" (RBI) also plays a crucial role in governing FDI in India through its "Master Directions on Foreign Investment in India," which are periodically updated. These directions specify that an Indian company may issue new shares to individuals residing outside India, subject to certain eligibility criteria and pricing guidelines outlined in the Master Directions. Companies conducting such share issuances are obligated to meet reporting requirements, including disclosing considerations for the issuance of shares, and filing relevant forms such as Form FC-GPR.

Foreign Trade (Development and Regulation) Act, 1992 (the "Act")

The "Foreign Trade (Development and Regulation) Act, 1992" (referred to as the "Act") governs and regulates India's foreign trade policies concerning the exchange of goods and services. It was enacted in 1992 as a replacement for the "Import and Exports (Control) Act, 1947." The primary objective of this Act is to facilitate imports into and increase exports from India. It aims to achieve these goals by providing a legal framework for the development and regulation of foreign trade. Notably, through the "Foreign Trade (Development and Regulation) Amendment Act of 2010," the Act expanded its scope to include the import and export of "services" in its regulatory ambit.

Other regulations:

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as a Private Limited Company in the name of "***Leapfrog Informatics Private Limited***" on May 09, 2005 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently the name of our company was changed to "***Leapfrog Engineering Services Private Limited***" vide a fresh Certificate of Incorporation consequent upon Change of Name dated January 23, 2009 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to "***Leapfrog Engineering Services Limited***" vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2024 bearing Corporate Identification Number U74210KA2005PLC036274 issued by Registrar of Companies – Central Processing Centre (CPC).

REGISTERED OFFICE & CORPORATE OFFICE

No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076

CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

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

Date	Details of Registered Office	Reason for Change
At Incorporation	*No.11, Flat 101, Shantipark Apts, Jayanagar, 9th Block, Bangalore, Karnataka India 560069*	----
February 09, 2009	*No. 7, I Floor, Ward No. 65, 29th Main, BTM Layout II Stage, Bangalore, Karnataka-Ka, India, 560068*	*For Administrative Convenience*
January 10, 2013	*Classic Copper Arch, # 75, Panduranganagarm 60 Feet Road, Bannerghatta Rd, Opp.HSBC Bangalore*	*For Administrative Convenience*
June 01, 2018	*# 513 2nd Floor, 5th Main, Vijaya Bank Layout, Bangalore, Karnataka-Ka, India- 560076*	*For Administrative Convenience*
November 23, 2020	*No.496, "CHAITANYA", 1st Floor, 8th Cross, Vijaya Bank Layout, Bilekahalli, Bangalore, Karnataka-KA INDIA, 560076*	*For Administrative Convenience*
March 13, 2024	*No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076*	*For Spelling Correction*

MAIN OBJECTS OF OUR COMPANY:

The Main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:
1. To provide consultancy and application development services in Engineering Design, Architectural Design, GIS (Geographic Information System), ITES (IT Enabled Services).

2. To undertake the business of Engineering contracting, Electrical & Instrumentation including building management systems, contracting, procuring & supply of materials, erection & installation and such other activities incidental and ancillary to the contracting work.

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND ARTICLE OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association and Article of Association:

Date of Amendment / Shareholders' resolution	Nature of Amendment
January 23, 2009	• *Clause I of Memorandum of Association and Articles of Association was amended to reflect change in name from "Leapfrog Informatics Private Limited" to "Leapfrog Engineering Services Private Limited" pursuant to name change of our Company.* • *Alteration in the Clause 3 of MoA pursuant to change in main objects of the MoA*
March 20, 2010	• *Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹ 1,00,000/- divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 50,00,000/- divided into 5,00,000 Equity Shares of ₹ 10/- each*
October 03, 2012	• *Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹50,00,000/- divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10/- each*
February 26, 2024	• *Alternation in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹ 2,00,00,000/- divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each*
June 21, 2024	• *Clause I of Memorandum of Association and Articles of Association was amended to reflect change in name from "Leapfrog Engineering Services Private Limited" to "Leapfrog Engineering Services Limited" pursuant to conversion of our Company from Private Limited to Public Limited Company.* • *Alteration in the Clause 3 of MoA pursuant to change in ancillary objects of the MoA.* • *Adoption of new set of AoA of the company in conformity with the Companies Act, 2013.*
August 05, 2024	• *Alteration in the Clause V of MoA pursuant to Sub-Division of Face Value of Equity Shares from Rs. 10/- per share to Rs 1/- per share*
21st October, 2024	• *Alteration in the Clause V of MoA by increasing Authorised Share Capital from Rs. 15,00,00,000/- to Rs. 17,00,00,000/-*
19th December, 2024	• *Alteration of MoA in accordance with the Table - A of Schedule I of the Companies Act, 2013.*

CORPORATE PROFILE OF OUR COMPANY

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled ***"Our Business"***, ***"Our Management"*** and ***"Management's Discussion and Analysis of Financial Position and Results of Operations"*** on pages 130, 173 and 262 respectively, of this Draft Red Herring Prospectus.

MAJOR EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The table below sets forth some of the major events in the history of our Company:

Calendar Year	*Key Events & Milestones*
2005	o *Business started in the name "Leapfrog Informatics Private Limited".*
2006	o *Awarded electrical works for the Early Production Facility (EPF50) project at North Kuwait.* o *Expanded workforce and moved to a new 2,000 sq.ft. office.*
2007	o *Successfully completed EPF50 project.*
2008	o *Added Instrumentation services to the portfolio.*

Calendar Year	*Key Events & Milestones*
	○ *Secured a USD 15,22,000 project for Gas Sweetening & Gas Reinjection facilities from Kuwait based company.*
2009	○ *Change in name from "Leapfrog Informatics Private Limited" to "Leapfrog Engineering Services Private Limited"*
2009-2012	○ *Received orders from a MNC in India for five brownfield projects across four locations.* ○ *Designed and executed Power Redistribution project for Austrian company.*
2013-2015	○ *Received composite order from USA based entity.* ○ *Received orders from German based entity for PAN India bottling plant installations.* ○ *Awarded Phase 1 and Phase 2 projects by Indian PSU.*
2016-2018	○ *Secured Jurassic Production Facility 3 (JPF3) project.* ○ *Implemented ERP system across the organization.* ○ *Received export orders from Nigeria and Canada.*
2019-2023	○ *Moved Registered office and Corporate Office to a new 6,536 sq.ft. state-of-the-art facility.* ○ *Received domestic orders exceeding INR 40 crore in 2019 from PSU and government agency.* ○ *Overcame COVID-19 challenges and successfully completed all projects.* ○ *Established an assembling unit for captive demand.* ○ *Received repeat order for JPF3 Expansion.* ○ *Designed and supplied six modular substations worth USD 9 million.* ○ *Won "Best Merchant Exporter Award 2022-23" from FKCCI in the MSME category.* ○ *Applied for ISO Certification.* ○ *Introduced Control System and Automation domain.* ○ *Secured multiple orders from steel company for automation jobs.*
2024	○ *Best Merchant Exporter Award* ○ *Outstanding Achievement Award for Business Excellence* ○ *Company converted from Private Limited Company to Public Limited Company i.e. "Leapfrog Engineering Services Limited"*

SIGNIFICANT FINANCIAL AND STRATEGIC PARTNERSHIPS

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant strategic or financial partners.

TIME/COST OVERRUN IN SETTING UP PROJECTS

As on the date of this Draft Red Herring Prospectus, there has been no time and cost overruns in the Company.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/FACILITY CREATION OR LOCATION OF STORES

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation and location of stores, see ***"Our Business"*** and ***"History and Certain Corporate Matters"*** on pages 130 and 168 of this Draft Red Herring Prospectus.

DEFAULTS, RESCHEDULING OR RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

As on the date of this Draft Red Herring Prospectus, there has been no default, rescheduling or restructuring of borrowings with financial institutions or banks.

DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS, ETC. IN THE LAST 10 YEARS

Except as mentioned in chapter ***"History and Certain Corporate Matters"*** beginning on page no. 168, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

HOLDING COMPANY

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

JOINT VENTURES OF OUR COMPANY

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

SUBSIDIARIES OF OUR COMPANY

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

ASSOCIATES OF OUR COMPANY

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

DETAILS OF SHAREHOLDERS' AGREEMENT

As on date of this Draft Red Herring Prospectus, there are no subsisting shareholders' agreements among our shareholders vis-à-vis our Company.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT, DIRECTORS, PROMOTERS OR ANY OTHER EMPLOYEE

Neither our Promoters, nor any of the Key Managerial Personnel or Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

MATERIAL AGREEMENTS

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

For details on business agreements of our Company, see ***"Our Business"*** beginning on page 130 of this Draft Red Herring Prospectus.

GUARANTEES GIVEN BY OUR PROMOTERS

Our Promoters have not given any guarantee to any third parties as on the date of this Draft Red Herring Prospectus except in favour of Lending Banks as collateral security for the Borrowings of the Company.

CAPITAL RAISING (DEBT / EQUITY)

Except as set out in the Sections titled ***"Capital Structure"*** and ***"Financial Indebtedness"*** beginning on page no 72 and 252 respectively of this Draft Red Herring Prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

INJUNCTION OR RESTRAINING ORDER

Our company is not operating under any injunction or restraining order.

DETAILS REGARDING PAST PERFORMANCE OF THE COMPANY.

For details in relation to our past financial performance in the previous 3 (three) financial years, please refer to Section titled ***"Financial Statements as restated"*** beginning on page no. 168 of this Draft Red Herring Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST TEN (10) YEARS

Except as mentioned in chapter ***"Our History and Certain Corporate Matters"*** beginning on page no. 168 of Draft Red Herring Prospectus, there have been no changes in the activity of our Company during the last ten (10) years preceding as on the date of this Draft Red Herring Prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

SHAREHOLDERS OF OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has 46 (Forty-Six) shareholders. For further details in relation to the current shareholding pattern, please refer to Section titled ***"Capital Structure"*** beginning on page no. 72 of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

As on the date of Draft Red Herring Prospectus, our Company has 6 (Six) Directors on our Board consisting 1 (one) Managing Director, 2 (one) Whole-time Director, 1 (One) Non-Executive Director, and 2 (Two) Independent Directors. There are 2 (two) Woman Director in our Board. The details of the Directors are as follows:

The details of the Directors are as follows:

Sl. No.	Name of the Director	DIN	Current Designation	Date of Joining#
1	Prabhav Narasimha Rao	02277473	Managing Director	09-05-2005
2	Priyashaila Prabhav Rao	02122050	Whole Time Director	09-05-2005
3	Sapna Raghavendra	08914356	Whole Time Director & CFO	01-11-2020
4	Kommanahalli Giridhar	10563746	Non-Executive Director	24-05-2024
5	Vijay Kumar Sajjan	10509632	Independent Director	24-05-2024
6	Krishnamurthy Salekoppa Parameshawarabhatta	10512697	Independent Director	24-05-2024

 # Original date of appointment as per MCA database.

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

Sl. No.	Particulars	Details
1	Name of the Director	**Prabhav Narasimha Rao**
	Father's Name	Late Narasimha Bappanad Rao
	Residential Address	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
	Date of Birth	06-10-1969
	Age	55
	Designation	Managing Director
	DIN	02277473
	Occupation	Business
	Nationality	Indian
	Qualification	1. Bachelor of Engineering (BE), from the Manipal Institute of Technology (1991), 2. Master of Technology (MTech), in Lighting Science and Technology from the Manipal Institute of Technology (1994)
	No. of Years of Experience	30 Years
	Date of Appointment	Originally appointed as Director on 09-05-2005, was later redesignated as the Managing Director on 30-03-2024 for a 5-year term.
	Terms of Appointment	Appointed for a period of 5 years up to 29-03-2029; not liable to retire by rotation.
	Directorship in other companies	1. Greenfire Safety and Controls Private Limited; 2. Orbis Technosphere Private Limited; 3. Achates Hospitality Services Private Limited.
	Other Ventures	1.Bigleap Ventures and Consultancy Services (Partnership Firm); 2.Leapfrog Automation and Control Systems (Partnership Firm).

Sl. No.	Particulars	Details
2	Name of the Director	**Priyashaila Prabhav Rao**
	Husband's Name	Prabhav Narasimha Rao
	Father's Name	Aroor Rao Shankar Devraj
	Residential Address	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
	Date of Birth	12-10-1973
	Age	51
	Designation	Whole Time Director
	DIN	02122050
	Occupation	Business
	Nationality	Indian
	Qualification	Bachelor of Commerce from Mangalore University.
	No. of Years of Experience	26 Years
	Date of Appointment	Originally appointed as Director on 09-05-2005, was later redesignated as the whole-time director on 30-03-2024 for a 5-year term
	Terms of Appointment	Appointed for a period of 5 years up to 29-03-2029, not liable to retire by rotation.
	Directorship in other companies	1. Greenfire Safety and Controls Private Limited; 2. Orbis Technosphere Private Limited; 3. Achates Hospitality Services Private Limited;
	Other Ventures	1.Bigleap Ventures and Consultancy Services (Partnership Firm); 2.Leapfrog Automation and Control Systems (Partnership Firm).

Sl. No.	Particulars	Details
3	Name of the Director	**Sapna Raghavendra**
	Husband's Name	Raghavendra M.
	Father's Name	Satyanarayanan Sharma
	Residential Address	No.10, 1st Main, Samrat Layout, Opposite Reliance Mart, Arekere, Bannerghatta Road, Bangalore South, Bangalore, Karnataka-560076, India.
	Date of Birth	13-08-1980
	Age	44
	Designation	Whole-Time Director (Finance) & Chief Financial Officer
	DIN	08914356
	Occupation	Employment
	Nationality	Indian
	Qualification	1. Bachelor of Commerce from University of Nagpur (2001) 2.Master of Commerce from University of Nagpur (2006) 3.Chartered Accountancy (Intermediate), Institute of Chartered Accountants of India (2004)
	No. of Years of Experience	23 Years
	Date of Appointment	Originally appointed as Director on 01-11-2020, re-designated as Whole-Time Director (Finance) on 30-03-2024 for a period of 5 years.
	Terms of Appointment	Appointed as a Whole-Time Director (Finance) for a period of 5 years up to 29-03-2029.
	Directorship in other companies	Nil
	Other Ventures	Nil

Sl. No.	Particulars	Details
4	Name of the Director	**Kommanahalli Giridhar**
	Father's Name	Kommanahalli Seshagiri Rao
	Residential Address	Apartment 201, 35/4, Glendale, M.N Krishna Rao Road, opposite United Lodge of Theosophists, Basavanagudi, Bangalore South, Bengaluru, Karnataka-560004.
	Date of Birth	21-04-1957
	Age	67
	Designation	Non-Executive Director and Chairman of the Board
	DIN	10563746
	Occupation	Professional
	Nationality	Indian
	Qualification	Bachelor of Technology (Electrical Power) from University of Mysore (1980)
	No. of Years of Experience	42 Years
	Date of Appointment	Originally appointed as Non-Executive Director 24-05-2024. Appointed as Chairman of the Board of Directors on 07-06-2024, to hold office w.e.f. 10th June, 2024 for a period of one year.
	Terms of Appointment	1. Appointed as a Non-Executive Director- Liable to retire by rotation. 2. Appointed as Chairman of the Board of Directors for a period of 1 year with effect from 10th June, 2024.
	Directorship in other companies	Kraum & Spruk Technologies FZCO, Dubai
	Other Ventures	Nil

Sl. No.	Particulars	Details
5	Name of the Director	**Vijay Kumar Sajjan**
	Father's Name	Basetteppa Ganiger
	Residential Address	Hasan Road, Near Town Police Station, Shanti Colony, VTC: Koppal, PO: Koppal, Sub District: Koppal, District: Koppal, Karnataka, 583231
	Date of Birth	29-08-1982
	Age	42
	Designation	Independent Director
	DIN	10509632
	IDDB Registration No.	IDDB-NR-202402-056103, valid till 15-02-2025
	Occupation	Professional
	Nationality	Indian
	Qualification	1.Company Secretary, The Institute of Company Secretaries of India 2.Chartered Accountant (Intermediate), The Institute of Chartered Accountants of India (2006) 3.Bachelors in Business Management from Gulbarga University (2003)
	No. of Years of Experience	20 Years
	Date of Appointment	24-05-2024
	Terms of Appointment	Appointment as Non-Executive, Independent Director for a period of 5 years up to 23-05-2029, not liable to retire by rotation.
	Directorship in other companies	Nil
	Other Ventures	1. Sajjan and Co., Company Secretaries (Proprietor) 2. Jurispro Corporate Advisors (Partner)

Sl. No.	Particulars	Details
6	Name of the Director	**Krishnamurthy Salekoppa Parameshawarabhatta**
	Father's Name	Parameshwara Bhatta
	Residential Address	No. 36, 4th main, 14th Cross Vyalikaval, Malleswaram Bangalore-560 003, Karnataka, India.
	Date of Birth	01-03-1964
	Age	60
	Designation	Independent Director
	DIN	10512697
	IDDB Registration No.	IDDB-NR-202402-056170, valid till 18/02/2025
	Occupation	Professional
	Nationality	India
	Qualification	1.Chatered Accountant, Institue of Chartered Accountants of India 2.Bachelor of Commerce Kuvempu University (1986)
	No. of Years of Experience	33 Years
	Date of Appointment	24-05-2024
	Terms of Appointment	Appointment as Non-Executive, Independent Director for a period of 5 years up to 23-05-2029, not liable to retire by rotation
	Directorship in other companies	NA
	Other Ventures	S.P. Krishnamurthy & Co. Chartered Accountants

BRIEF BIOGRAPHIES OF THE DIRECTORS:

Prabhav Narasimha Rao aged 55, is the Promoter and Managing Director of our Company. He was first appointed as a Director on May 9, 2005, and re-designated as Managing Director effective March 30, 2024, for a five-years term. He holds Bachelor of Engineering (B.E.), (1991) from the Manipal Institute of Technology and Master of Technology (M.Tech.), (1994), in Lighting Science and Technology from the Manipal Institute of Technology. Prabhav has steered the company from a single domain entity into a fully integrated engineering company encompassing all the disciplines of engineering. His forte includes setting strategic goals and ensuring they are achieved. With over 30 years of experience in engineering, he has a strong background in project management, having worked with large engineering and multinational companies like General Electric. He is responsible for overseeing the day-to-day business operations and the overall management of the company.

Priyashaila Prabhav Rao, aged 51, is the Promoter and Whole-Time Director of our Company. She was appointed as one of the first directors on May 9, 2005, and was re-designated as Whole-Time Director effective March 30, 2024, for a term of five years. She holds Bachelor of Commerce from Mangalore University (1994). With over 20 years of experience in Human Resources and Administration, she leads and manages the company's HR and administrative functions. Her responsibilities include overseeing recruitment and retention, compliance, compensation, benefits, training, and development. Additionally, she provides strategic guidance on HR matters and ensures the smooth operation of administrative activities.

Sapna Raghavendra, aged 44, is the Whole- Time Director (Finance) and the CFO of our Company. She has been associated with the Company since 2014. She was appointed as Director effective November 1, 2020, and later re-designated as a WTD (Finance) effective March 30, 2024, for a five-years term. Additionally, she was appointed as the Chief Financial Officer on March 30, 2024. She holds Bachelor of Commerce (2001) from University of Nagpur, Master of Commerce (2006) from University of Nagpur and Chartered Accountancy (Intermediate) (2004), from The Institute of Chartered Accountants of India. With over 20 years of experience in Finance, she oversees the company's accounting and finance functions, including budgeting, forecasting, long-term planning, cash management, and treasury activities. She also provides oversight on tax, internal controls, legal compliances, strategy & operations and audit-related matters.

Kommanhalli Giridhar, aged 67 years, is a Non-Executive Director and Chairman of the Board, appointed on May 24, 2024, and re-designated as Chairman from June 10, 2024, for a one-year term. He holds a Bachelor of Technology (Electrical Power) degree and several certifications, including PMP, RMP, and qualifications in Project Management, Risk & Quality Management, and Project Finance. With over 40 years of experience in electrical power systems, his expertise spans project management, risk management, design engineering, contract management, sales, quality management, and P&L management. He provides strategic counsel on commercial and organizational matters.

Vijay Kumar Sajjan, aged 41 years, is a Non-Executive Independent Director of our Company, appointed on May 24, 2024. He is a qualified Company Secretary and Chartered Accountant (Intermediate), with a Bachelor's in Business Management. Currently a Practicing Company Secretary based in Bangalore, Mr. Sajjan has over 20 years of experience in corporate matters, including audit, tax, financial advisory, accounting, and technical scrutiny of financial statements. He provides corporate advice and finance services across diverse sectors such as manufacturing, FMCG, real estate, healthcare, power, and more. He has held various leadership roles in professional organizations, served as a visiting faculty for company law, and frequently contributes to industry publications.

Krishnamurthy Salekoppa Parameshawarabhatta, aged 60 years, is a Non-Executive Independent Director of our Company, appointed on May 24, 2024. A qualified Chartered Accountant with over 30 years of experience, he holds a Bachelor's in Commerce and has a strong background in accounts, audit, budgeting, taxation, and MIS. Based in Bengaluru, he provides advisory services in areas such as audit & assurance, statutory and internal audits, tax planning, corporate tax, GST compliance, and finance & accounting. His expertise spans diverse sectors including IT, manufacturing, retail, healthcare, real estate, and public sector enterprises. He also offers services in corporate structure design, business plan conceptualization, and regulatory compliance.

FAMILY RELATIONSHIPS BETWEEN THE DIRECTORS

Director	Other Director	Relation
Prabhav Narasimha Rao	Priyashaila Prabhav Rao	Husband of Priyashaila Prabhav Rao
Priyashaila Prabhav Rao	Prabhav Narasimha Rao	Wife of Prabhav Narasimha Rao

ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a Senior Management as on the date of this Draft Red Herring Prospectus.

SERVICE CONTRACTS

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGE DURING HIS/HER TENORS FOR A PERIOD BEGINNING FROM FIVE (5) YEARS PRIOR TO THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

None of the Directors are/were directors of any company whose shares were suspended from being trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years or to the extent applicable.

DIRECTOR'S ASSOCIATION WITH THE SECURITIES MARKET

None of the Directors of our Company are associated with securities market.

COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES THAT HAVE BEEN/WERE DELISTED FROM STOCK EXCHANGES IN INDIA DURING THEIR TENURE

None of the Directors are/were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

BORROWING POWERS OF THE BOARD

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The Board of Director vide the special resolution passed at their Extraordinary General Meeting dated August 05, 2024 allowed to borrow and that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 100 Crores.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME Platform of BSE Limited.

COMPENSATION OF OUR MANAGING DIRECTOR AND WHOLETIME DIRECTOR AND EXECUTIVE DIRECTOR

The compensation payable to Managing Director, Wholetime Director and Executive Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director, Whole Time Directors and Executive Director.

Particulars	Prabhav Narasimha Rao
Appointment/Change in Designation	Originally appointed as Director on 09-05-2005, re-designation to Managing Director on 30-03-2024 for a term of 5 years.
Current Designation	Manging Director
Terms of Appointment	Appointed as Managing Director of the Company for a period of 5 years up to 29-03-2029 and Liable to retire by rotation.
Remuneration, Perquisites and Benefits	**<u>Remuneration</u>** **Salary-** Up to ₹ 33,00,000/- (Rupees Thirty-Three Lakhs only) per annum, with the authority to the Board of Directors (including its committee thereof) to vary / alter the remuneration in terms of Schedule V and other applicable provisions if any, of the Companies Act, 2013 subject to overall remuneration of Rs 1 crore per annum. **Amenities:** Free use of company's car with driver for the business of the company.
Compensation paid in the FY 2023-24	₹ 55.76 Lakhs

Particulars	Priyashaila Prabhav Rao
Appointment/Change in Designation	Originally appointed as Director on 09-05-2005, and designation changed to Whole Time Director on 30-03-2024
Current Designation	Whole Time Director
Terms of Appointment	Appointed as Whole Time Director of the Company for a period of 5 years up to 29-03-2029 and Liable to retire by rotation.

Particulars	Priyashaila Prabhav Rao
Remuneration, Perquisites and Benefits	**Remuneration:** **Salary**- Up to ₹ 15,00,000/- (Rupees Fifteen Lakhs only) per annum, with the authority to the Board of Directors (including its committee thereof) to vary / alter the remuneration in terms of Schedule V and other applicable provisions if any, of the Companies Act, 2013 subject to overall remuneration of Rs 50 Lakh per annum. **Amenities:** Free use of company's car with driver for the business of the company.
Compensation paid in the FY 2023-24	₹14.03 Lakhs

Particulars	Sapna Raghavendra
Appointment/Change in Designation	Originally appointed as Director on 01-11-20205, and designation changed to Director-Finance and CFO on 30-03-2024.
Current Designation	Whole Time Director (Finance) and CFO
Terms of Appointment	Appointed as Director-Finance of the Company for a period of 5 years up to 29-03-2029 and Liable to retire by rotation.
Remuneration, Perquisites and Benefits	**Remuneration:** **Salary**- Up to ₹ 21,00,000/- (Rupees Twenty-One Lakhs only) per annum, with the authority to the Board of Directors (including its committee thereof) to vary / alter the remuneration in terms of Schedule V and other applicable provisions if any, of the Companies Act, 2013 subject to overall remuneration of Rs 60 Lakh per annum.
Compensation paid in the FY 2023-24	₹18.08 Lakhs

BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

We have no bonus or profit-sharing plan for our directors.

PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS OF OUR COMPANY

Apart from the remuneration to Executive Directors, if any as provided, our Non-Executive Directors are entitled to be paid a sitting fee of up to ₹ 50,000/- per meeting. They may also be paid commissions in such a manner as the Board may decide from time to time, within the overall maximum limit of 1% (one percent) of the net profits of the Company in any financial year or such other percentage as may be specified by the Act from time to time in this regard and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

THE DETAILS OF THE SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS DRAFT RED HERRING PROSPECTUS ARE AS FOLLOWS:

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Prabhav Narasimha Rao	Managing Director	4,76,28,000	44.44%	[●]
2	Priyashaila Prabhav Rao	Whole Time Director	4,56,12,000	42.55%	[●]
3	Sapna Raghavendra	Whole Time Director & CFO	17,64,000	1.65%	[●]

INTEREST OF OUR DIRECTORS

Our directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please refer to section titled ***"Our Promoters and Promoter Group"*** beginning on page no. 191 of this Draft Red Herring Prospectus.

Further, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this Draft Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section ***"Shareholding of Directors in our Company"*** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled ***"Financial Information as Restated"*** and ***"Our Promoters and Promoter Group"*** beginning on pages 202 and 191 respectively of this Draft Red Herring Prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the Draft Red Herring Prospectus. For further details, please refer to section titled ***"Our Management"*** on page no. 173 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. Some of the directors also hold directorships in Promoter Group and Group Companies of our Company.

Our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section ***"Our Management"*** or the section titled ***"Financial Information – Related Party Transactions"*** beginning on page no 173 and 243 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

CHANGES IN THE BOARD OF DIRECTORS OF OUR COMPANY IN THE LAST THREE (3) YEARS OR TO THE EXTENT APPLICABLE ARE AS FOLLOWS:

Name	Date	Designation	Reason
Prabhav Narasimha Rao	30-03-2024	Managing Director	Redesignation
Priyashaila Prabhav Rao	30-03-2024	Whole Time Director	Redesignation
Sapna Raghavendra	30-03-2024	Whole Time Director	Redesignation
Laxman Krishna	31-03-2024	Non-Executive Director	Resignation
Kommanahalli Giridhar	24-05-2024	Non-Executive Director	Appointment
	10-06-2024	Non-Executive Director & Chairman	Appointment as Chairman of Board of Directors
Vijay Kumar Sajjan	24-05-2024	Independent Director	Appointment
Krishnamurthy Salekoppa Parameshawarabhatta	24-05-2024	Independent Director	Appointment

OTHER CONFIRMATIONS:

- None of our Directors are on the RBI List of wilful defaulters or fraudulent borrowers as on the date of this Draft Red Herring Prospectus.
- None of our Directors of our Company are a fugitive economic offender.
- Further, none of our directors are or were directors of any listed company whose shares.
  (a) have been or were suspended from trading on any of the stock exchanges during the five years prior to the date of filing this Draft Red Herring Prospectus or.
  (b) delisted from the stock exchanges.
- None of the directors of our Company are debarred from accessing the capital market by SEBI.
- None of the Directors has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

CORPORATE GOVERNANCE

In terms of Regulation 15(2)(b) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations shall not apply, in respect of listed entity which has listed its specified securities on the SME Exchange.

Furthermore, in terms of Regulation 15(3) of the SEBI Listing Regulations, notwithstanding Regulation 15(2) of the SEBI Listing Regulations, the provisions of the Companies Act, 2013 shall continue to apply, wherever applicable.

As per the abovementioned provisions of the Listing Regulations, we are not required to comply with the requirements of corporate governance relating to the composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders' relationship committee, etc., as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Board has been duly constituted in compliance with the Companies Act, 2013. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act, our Board of Directors consists of 6 (six) Directors (including Two Woman Directors).

Sl. No.	Name of the Director	DIN	Current Designation
1	Prabhav Narasimha Rao	02277473	Managing Director
2	Priyashaila Prabhav Rao	02122050	Whole Time Director
3	Sapna Raghavendra	08914356	Whole Time Director
4	Kommanahalli Giridhar	10563746	Non-Executive Director
5	Vijay Kumar Sajjan	10509632	Independent Director
6	Krishnamurthy Salekoppa Parameshawarabhatta	10512697	Independent Director

COMMITTEES OF OUR BOARD

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

❖ ***Audit Committee***

As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statements.

Our Audit Committee was constituted pursuant to a resolution of our Board Meeting dated June 07, 2024. The Audit Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Krishnamurthy Salekoppa Parameshawarabhatta	Chairman	Independent Director
Vijay Kumar Sajjan	Member	Independent Director
Prabhav Narasimha Rao	Member	Whole Time Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder.

Powers of Audit Committee: The Audit Committee shall have powers, including the following:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;

- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- To investigate any activity within its terms of reference;
- The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- To have full access to information contained in the records of the company;
- To invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee;
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board of Directors and discuss any related issues with the internal and statutory auditors and the management of the company;
- any other responsibility as may be assigned by the board from time to time;
- Such powers as the Board may deem fit in accordance with the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and any other rules and regulations to the extent applicable.

Role of Audit Committee: The role of the Audit Committee shall include the following:

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee and
- statement of deviations:
  (i) half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015;
  (ii) annual statement of funds utilized for purposes other than those stated in the Draft Red Herring Prospectus/notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.

The Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

❖ ***Stakeholders' Relationship Committee***

As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board Meeting dated June 07,2024. The Stakeholders' Relationship Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Vijay Kumar Sajjan	Chairman	Independent Director
Prabhav Narasimha Rao	Member	Managing Director
Sapna Raghavendra	Member	Whole Time Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Role of the Stakeholders Relationship Committee

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- To carry out any other function as may be decided by the Board and as stated in the Companies Act, 2013 including rules framed thereunder and Listing Regulations to the extent applicable.

The Stakeholders' Relationship Committee shall meet at least once in a financial year.

❖ ***Nomination and Remuneration Committee***

As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board Meeting dated June 07, 2024. The Nomination and Remuneration Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Vijay Kumar Sajjan	Chairman	Independent Director
Krishnamurthy Salekoppa Parameshawarabhatta	Member	Independent Director
Kommanahalli Giridhar	Member	Non-Executive Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

Role of the Nomination and Remuneration Committee
The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with rules framed thereunder.

Set forth below are the role of our Nomination and Remuneration Committee:
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of an external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors, the board of directors, committees of the board and reviewing implementation and compliance;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee shall meet at least once in a financial year and quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

❖ **Corporate Social Responsibility Committee:**

As per section 135 (1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The net profit of the Company for immediate past financial year ended 31st March, 2024 has crossed threshold limit of Rs.5.00 Crores, in terms of provisions of Section 135 read with Section 198 of the Companies Act, 2013, the Company is required to spend 2% of the past three financial years profit during the current financial year 2024-25 on projects/programmes in compliance with Schedule VII of the Companies Act, 2013.

Our Corporate Social Responsibility (CSR) Committee was constituted pursuant to a resolution of our Board Meeting dated June 07, 2024. The Corporate Social Responsibility (CSR) Committee comprises of:

Name of Directors	Status in the Committee	Nature of Directorship
Prabhav Narasimha Rao	Chairman	Managing Director
Sapna Raghavendra	Member	Whole-Time Director & CFO
Krishnamurthy Salekoppa Parameshawarabhatta	Member	Independent Director

Any member of this Committee ceasing to be a director shall also cease to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Corporate Social Responsibility (CSR) Committee.

Role of the Corporate Social Responsibility (CSR) Committee.

The scope, functions, and the terms of reference of the Corporate Social Responsibility (CSR) Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 read with rules framed thereunder.

Set forth below are the role of our Corporate Social Responsibility (CSR) Committee:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
b) Recommend the amount of expenditure to b incurred on the activities referred to in Clause a); and
c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

MANAGEMENT ORGANIZATIONAL STRUCTURE:

OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The details of the Key Managerial Personnel and Senior Management as on the date of this Draft Red Herring Prospectus are set out below. All the Key Managerial Personnel and Senior Management are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel and Senior Management.

1. **Prabhav Narasimha Rao**, aged about 55 years, is the Promoter and Managing Director of our Company. For details, please refer section titled ***"Our Management"*** beginning on page no. 173 of this Draft Red Herring Prospectus.

2. **Priyashaila Prabhav Rao,** aged about 51 years, is the Promoter and Whole-Time Director of our Company. For details, please refer section titled ***"Our Management"*** beginning on page no. 173 of this Draft Red Herring Prospectus.

3. **Sapna Raghavendra**, aged about 44 years, is the Director-Finance of our Company. For details, please refer section titled **"*Our Management*"** beginning on page no. 173 of this Draft Red Herring Prospectus.

4. **Sneha Hegde, aged about 35 years,** is the Company Secretary and Compliance Officer of our Company. She holds Bachelor's Degree in Commerce (2010) from Karnataka University, Dharwad. She is a qualified Company Secretary and associate Member of the Institute of Company Secretaries of India (ICSI) from 2016. She is a Law Graduate from Karnataka State Law University-Hubli, passed out in the year 2021. She has over 6 years of post – qualification experience in the matters pertaining to compliance with respect to secretarial, legal, listing and allied matters. She has joined our company in October 03, 2024 with a remuneration of ₹ 60,000/- per month.

Our Senior Managerial Personnel

1. **Bhaskar Shenoy:** He is the **Chief Technical Officer – Automation** at Leapfrog with over 34 years of experience in project management and technical operations. He holds a B.E. and M.Tech in Electronics & Communication and has worked with some of the most prominent engineering and multinational companies, including Rockwell, where he refined his expertise in managing complex projects and leading high-performing teams. Before joining Leapfrog, Bhaskar led multiple successful project teams, delivering innovative solutions across various technical domains. As the Chief Technical Officer at Leapfrog, he oversees the company's technical direction, ensuring excellence in engineering projects and setting high standards for innovation and quality. His extensive technical knowledge and project management skills enable him to strategically lead teams, implement advanced solutions, and play a pivotal role in the company's continued growth and success. Mr. Shenoy has been paid Rs. 11.06 Lakhs as remuneration in FY 2023-2024.
2. **Nithyashree Sudeendra:** She is an **Assistant General Manager (AGM) – Business Development**. She holds a BE degree and brings 16 years of experience across various sectors. She excels in communication and demonstrates a proactive approach to lead generation, focusing on engaging with customers and prospects to transform inquiries into valuable business opportunities. Her key strengths include identifying and converting leads into actionable opportunities, educating customers on advanced technologies and cost-effective solutions, and aligning customer needs with tailored solutions to foster growth and enhance market presence. With a commitment to excellence, Nithyashree plays a pivotal role in driving the company's growth through effective and strategic business development initiatives. Ms. Nithyashree was paid Rs. 11.84 Lakhs as remuneration in FY 2023-24.
3. **Prashant Daso Mahajan:** He is the **General Manager – Quality Assurance & Health Safety and Environment & Instrumentation**, with a B.E. in Instrumentation Engineering and 29 years of experience, is a seasoned professional in project management, quality management systems (QMS), health, safety, and environmental management systems (HSE), and risk management. He has led and executed projects across diverse industries, including co-generation and thermal power plants, boiler projects, sugar plants, distilleries, water treatment plants, petrochemical and gas refineries, chemical plants, and pharmaceuticals. Prashant has a proven track record of implementing robust QMS and HSE practices, ensuring regulatory compliance, and maintaining high standards of quality and safety. His expertise in risk management enables him to effectively identify and mitigate risks, ensuring the smooth and successful delivery of projects. Mr Prashant was paid Rs. 15.63 Lakhs as remuneration in FY 2023-24.
4. **Parvatikar Vaman H:** He is the **Vice President – Presales & Proposal**, with a BE in Electrical Engineering and 36 years of experience, has built a distinguished career in engineering, sales, and marketing within the electrical sector. He began his journey with Kirloskar Cummins Pune and has since gained extensive expertise across various electrical industries. Vaman specializes in managing and engineering electrical projects, with a particular focus on substations, electrical panels, transformers, and allied equipment. He has a strong track record in delivering complete electrical turn-key substation projects, overseeing design, construction, and commissioning. Additionally, Vaman excels in the manufacturing of low and medium voltage panels, ensuring adherence to stringent industry standards. As a leader of the Sales & Proposals team at Leapfrog, he ensures timely and accurate solutions for both domestic and international industrial and infrastructure projects, demonstrating a proven ability to drive business growth and customer engagement. His global project experience further highlights his capability to successfully execute complex electrical projects worldwide. Mr. Parvatikar was paid Rs. 6.89 Lakhs as remuneration in FY 2023-24.
5. **Laxman Krishna:** He is the **General Manager- Operations**. He is an MBA graduate with extensive experience in operations management, serves as the General Manager – Operations, where he is instrumental in driving the company's growth and ensuring optimal levels of effectiveness, quality, service, and profitability. He leads initiatives to enhance organizational performance and achieve business growth targets, while coordinating multiple teams, including marketing, supply chain, project management, and customer service, to align operations with organizational goals. Laxman utilizes key performance metrics to analyze the commercial activities of the company, ensuring all departments meet their objectives. He also prepares comprehensive reports on operational performance, providing senior management with valuable insights for improvement, optimization, and growth. His strategic leadership plays a crucial role in ensuring operational excellence and the overall success of the organization. Mr. Lakshman was paid Rs. 18.80 Lakhs as remuneration in FY 2023-24.
6. **Vishwanath Kesappanatti:** He is the **General Manager – Design & Engineering**, a B.E. graduate and experienced electrical engineer, brings 24 years of expertise in the design, engineering, project management, and supervision of electrical systems for both Greenfield and Brownfield projects. His proficiency spans the execution of EPC turnkey projects and handling high, medium, and low voltage equipment, power transformers, motors, and complex substation designs. Vishwanath has a proven track record of delivering efficient and reliable electrical systems for large-scale projects in industries such as steel, mining, cement, and material handling. He excels in power system studies, substation design, and electrical & automation system design, ensuring optimized, high-quality solutions. With strong project management and supervision skills, he ensures successful execution and system reliability across diverse industrial applications. Mr. Vishwanath joined our company on July 01, 2024. Hence no remuneration was paid to him in FY 2023-24.

STATUS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

All our key managerial personnel or Senior Management are permanent employees of our Company.

SHAREHOLDING OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

The details of the shareholding of our Key Management Personnel or Senior Management as on the date of this Draft Red Herring Prospectus are as follows: -

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Prabhav Narasimha Rao	Managing Director	4,76,28,000	47.250%	[●]
2	Priyashaila Prabhav Rao	Whole Time Director	4,56,12,000	45.250%	[●]
3	Sapna Raghavendra	Whole Time Director & CFO	17,64,000	1.750%	[●]
4	Nithyashree Sudeendra	Senior Managerial Personnel	2,10,000	0.20%	[●]

BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel or Senior Management. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel or Senior Management of our Company.

INTERESTS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT

Except as mentioned above in this Draft Red Herring Prospectus, the Key Management Personnel or Senior Management do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled ***"Financial Information as Restated"*** beginning on page no 202 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

RELATIONSHIP AMONGST THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

Director	Other Director	Relation
Prabhav Narasimha Rao	Priyashaila Prabhav Rao	Husband of Priyashaila Prabhav Rao
Priyashaila Prabhav Rao	Prabhav Narasimha Rao	Wife of Prabhav Narasimha Rao

RELATIONSHIP BETWEEN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Director	Other Director	Relation
Prabhav Narasimha Rao	Priyashaila Prabhav Rao	Husband of Priyashaila Prabhav Rao
Priyashaila Prabhav Rao	Prabhav Narasimha Rao	Wife of Prabhav Narasimha Rao

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS/CUSTOMERS/ SUPPLIERS

None of the above Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

DETAILS OF SERVICE CONTRACTS OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except for the terms set forth in the appointment letters, the Key Managerial Personnel or Senior Management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

EMPLOYEE STOCK OPTION OR EMPLOYEE STOCK PURCHASE

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of the Directors or Key Managerial Personnels or Senior Management have availed loan from our Company which is outstanding as on the date of this Draft Red Herring Prospectus.

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Personnel or Senior Management of our Company in the last three (3) years are as follows:

Name	Date	Designation	Reason
Prabhav Narasimha Rao	30-03-2024	Managing Director	Redesignation
Priyashaila Prabhav Rao	30-03-2024	Whole Time Director	Redesignation
Sapna Raghavendra	30-03-2024	Whole Time Director & CFO	Redesignation and Appointment
Harshavardhan Basam Reddy	04-05-2024	Company Secretary	Appointment
	01-10-2024	Company Secretary	Resignation
Sneha Hegde	03-10-2024	Company Secretary	Appointment
Bhaskar Shenoy	01-12-2023	Head Engineer & Automation	Appointment
	01-06-2024	Chief Technical Officer-Automation	Redesignation
Nithyashree Sudeendra	01-04-2023	Assistant General Manager (AGM)- Supply chain	Redesignation
	01-04-2024	Assistant General Manager (AGM) - Business Development	Redesignation
Prashant Daso Mahajan	01-10-2021	Project Manager - Instrumentation Engineer	Redesignation
	10-10-2021	Assistant General Manager (AGM)- Project	Redesignation

Name	Date	Designation	Reason
	16-08-2024	General Manager (GM)- Corporate Quality Assurance & Health Safety and Environment & Instrumentation	Redesignation
Lakshman Krishna	01-04-2024	General Manager (GM) – Operations	Redesignation
Vishwanath Kesappanatti	01-07-2024	General Manager (GM)- Design & Engineering	Appointment
Parvatikar Vaman H	09-10-2023	Vice President - Presales & Proposal	Appointment

OUR PROMOTERS AND PROMOTER GROUP

1. Our Promoters:

The Promoters of our Company are **(i) Mr. Prabhav Narasimha Rao and (ii) Mrs. Priyashaila Prabhav Rao.**

As on the date of this Draft Red Herring Prospectus, our Promoters jointly hold 9,32,40,000 Equity Shares which in aggregate, almost constitutes 86.99% of the pre issued paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see ***"Capital Structure"***, on page 72 of this Draft Red Herring Prospectus.

(i) Details of our Promoters are as follows:

	Prabhav Narasimha Rao, aged 55 years, is the Promoter and Managing Director of the company. For further personal details, please also refer to section titled ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus.
Name of Promoter	Prabhav Narasimha Rao
Father's Name	Late Narasimha Bappanad Rao
Date of Birth	06-10-1969
Age	55 years
Qualification	1. Bachelor of Engineering (BE), from the Manipal Institute of Technology (1991), 2. Master of Technology (MTech), in Lighting Science and Technology from the Manipal Institute of Technology (1994)
Occupation	Business
Nationality	Indian
Address	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
DIN	02277473
PAN	ABDPR6113P
Directorship in other companies	1. Greenfire Safety and Controls Private Limited 2. Orbis Technosphere Private Limited 2. Achates Hospitality Services Private Limited
Other Ventures	1. Bigleap Ventures and Consultancy Services (Partnership Firm) 2. Leapfrog Automation and Control Systems (Partnership Firm)

	Priyashaila Prabhav Rao, aged 51 years, is the Promoter and Whole-Time Director of the company. For further personal details, please also refer to section titled ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus.
Name of Promoter	Priyashaila Prabhav Rao
Father's Name	Late Aroor Rao Shankar Devraj
Date of Birth	12-10-1973
Age	51 years
Qualification	Bachelor of Commerce from Mangalore University.
Occupation	Business
Nationality	Indian
Address	1205 Block- C1, L & T South City Apartments, Arekere Mico Layout, Bangalore South, Bannerghatta Road, Bangalore, Karnataka-560076, India.
DIN	02122050
PAN	AHLPR6388Q
Directorship in other companies	1. Greenfire Safety and Controls Private Limited 2. Orbis Technosphere Private Limited 3. Achates Hospitality Services Private Limited
Other Ventures	1. Bigleap Ventures and Consultancy Services (Partnership Firm) 2. Leapfrog Automation and Control Systems (Partnership Firm)

Our Company confirms that it will submit the details of the PAN, Bank Account Number, Passport number, Aadhaar card number and driving license number of our Promoters to BSE separately at the time of filing the Draft Red Herring Prospectus.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus.

INTERESTS OF OUR PROMOTERS

Interest in the Promotions of our Company:
Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their respective equity shareholding in our Company and any dividend distribution that may be made by our Company with respect to their equity shares in the future. For details pertaining to our Promoter's shareholding, please refer to chapter titled ***"Capital Structure"*** beginning on page 72 of this Draft Red Herring Prospectus.

Interest in the property of our Company:
Except as given in the chapter titled ***"Our Business"*** beginning on page 130 of this Draft Red Herring Prospectus, our Promoters or Group Company do not have any interest in any property acquired by our Company in the preceding three (3) years of the date of this Draft Red Herring Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Interest as Member of our Company:
As on the date of this Draft Red Herring Prospectus, our Promoter and Promoter Group collectively hold 9,92,46,000 equity shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled ***"Our Management"*** in that Remuneration details of our Directors on page 173 of this Draft Red Herring Prospectus, our Promoter does not hold any other interest in our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery:
None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

Interest of Promoters in Sales and Purchases:
There are no sales/purchases between our Company and our Group Companies other than as stated in the section titled ***"Financial Information - Related Party Transactions"*** beginning on page no. 243 of this Draft Red Herring Prospectus.

Other Interests in our Company:
For transactions in respect of loans and other monetary transactions entered in past please refer ***"Financial Information - Related Party Transactions"*** beginning on page no. 243 of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company's Bankers. For the details of Personal Guarantee given by Promoters towards Financial facilities availed by our Company, please refer to ***"Financial Indebtedness"*** and ***"Financial Statements as Restated"*** on page 252 and 202 respectively of this Draft Red Herring Prospectus.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Confirmations:
Our Company hereby confirms that:

- None of our Promoters or Directors have been declared as a wilful defaulter or fraudulent borrower or is a fugitive economic offender.

- Neither our Company nor our Promoters, Promoter Group and Directors our Company are debarred from accessing the Capital Market by SEBI

- None of the promoters or directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

PAYMENT OR BENEFITS TO THE PROMOTERS IN THE LAST TWO (2) YEARS

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section titled ***"Financial Information - Related Party Transactions"*** beginning on page no. 243 of this Draft Red Herring Prospectus.

LITIGATION DETAILS PERTAINING TO OUR PROMOTERS

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled ***"Outstanding Litigations and Material Developments"*** beginning on page no. 273 of this Draft Red Herring Prospectus.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

The companies in which the promoters have resigned in the last three years are as follows:

Name of Promoter	Name of Company	Reason for Disassociation	Date of Disassociation
Prabhav Narasimha Rao	Leapfrog Fire & Safety Systems Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Enterprise Solutions Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Automation and Control Systems Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Modular Buildtech Private Limited	Resignation due to personal reasons.	26-03-2024
Priyashaila Prabhav Rao	Leapfrog Fire & Safety Systems Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Enterprise Solutions Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Automation and Control Systems Private Limited	Resignation due to personal reasons.	26-03-2024
	Leapfrog Modular Buildtech Private Limited	Resignation due to personal reasons.	26-03-2024

MATERIAL GUARANTEES PROVIDED BY OUR PROMOTERS

Except as stated in the chapter titled ***"Financial Indebtedness"*** beginning on page 252 of this Draft Red Herring Prospectus, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled ***"Our Management"*** beginning on page 173 of this Draft Red Herring Prospectus.

COMMON PURSUITS OF PROMOTERS AND PROMOTER GROUP COMPANIES

As on the date of this Draft Red Herring Prospectus, none of our Promoters and Promoter Group Companies have any common pursuits.

1. Our Promoter Groups:

In compliance with SEBI Guideline, ***"Promoter Group"*** pursuant to the regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we confirm that following persons are part of promoter group:

A) Promoter

As per Regulation 2(1)(pp)(i) of the SEBI ICDR Regulations, the following are the Promoters:

- Prabhav Narasimha Rao
- Priyashaila Prabhav Rao

B) Immediate Relatives of the Promoter

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

Relationship	Name of the Promoters	
	Prabhav Narasimha Rao	**Priyashaila Prabhav Rao**
Father	Late Narasimha Bappanad Rao	Late Aroor Rao Shankar Devraj
Mother	Late Sumithra Rao	Varamahalakshmi D Rao
Brother	Pranav Narasimha Rao	Ujvaldeep D Rao
	Late Prashant N Rao	
Sister	Prajna Shridhar Acharya	NA
	Prathibha Upadhyaya	
Spouse	Priyashaila Prabhav Rao	Prabhav Narasimha Rao
Son	Pratyaksh P Rao	Pratyaksh P Rao
	Ayush P Rao	Ayush P Rao
Daughter	NA	NA
	NA	NA
Spouse's Father	Late Aroor Rao Shankar Devraj	Late Narasimha Bappanad Rao
Spouse's Mother	Varamahalakshmi D Rao	Late Sumithra Rao
Spouse's Brother	Ujvaldeep D Rao	Pranav Narasimha Rao
		Late Prashant N Rao
Spouse's Sister	NA	Prajna Shridhar Acharya
		Prathibha Upadhyaya

**NA means Not Applicable*

C) Entities forming part of Promoter Group

As per Regulation 2(1)(pp)(iii) of the SEBI ICDR Regulations, in case Promoter is a Body Corporate

Nature of Relationship	Entity
Subsidiary or holding company of Promoter Company.	-
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	-

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, in case Promoter is an Individual

Nature of Relationship	Entity
Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	1. Greenfire Safety and Controls Private Limited 2. Achates Hospitality Services Private Limited 3. Orbis Technosphere Private Limited 4. Leapfrog Technical Services LLC
Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	NA

Nature of Relationship	Entity
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than twenty percent of total capital.	1. Bigleap Ventures and Consultancy Services 2. Leapfrog Automation and Control Systems

D) As per Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations, all persons whose shareholding under the heading "shareholding of the promoter group":

- Ayush P Rao
- Pranav Narasimha Rao
- Pratibha Upadhyaya
- Upanishad Prashant Rao
- Prajna Shridhar Acharya

GROUP COMPANIES OF OUR COMPANY

In compliance with SEBI Guideline, "Group Companies" pursuant to the regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018, shall include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, the below mentioned are considered as Group Companies of our Company (Companies which are no longer associated with our company have not been disclosed as Group Companies).

1. *Greenfire Safety and Controls Private Limited*

Name of the Entity	Greenfire Safety and Controls Private Limited		
Category	Private Company		
Name of Directors	1. Prabhav Narasimha Rao 2. Priyashaila Prabhav Rao		
Brief Description and nature of the activity or Business	Providing Fire Protection and Safety System		
Date of Incorporation	31-10-2012		
PAN	AAECG9768L		
Registered Office Address	Classic Copper Arch, No-75, Panduranganagar 60 Feet Road, Bannerghatta Road, Opp. HS, BC Bank, Bangalore, Karnataka, India, 560076		
Audited Financial Information (₹ in Lakhs)			
Particulars	**FY 2023-24**	**FY 2022-23**	**FY 2022-21**
Share Capital	1.00	1.00	1.00
Reserves and Surplus	(1.00)	(36.91)	(36.84)
Net Worth	0.00	(35.91)	(35.84)
Total Income	48.07	0.00	0.00
Profit/(Loss) after Tax	35.91	(0.08)	(0.08)
Earning Per Share (face value of ₹ 10/- each)	3.59	0.75	0.76
Net Asset Value Per Share (₹)	0.00	(359.10)	(358.40)

Shareholding Pattern of Greenfire Safety and Controls Private Limited as on 31-03-2024

Name of the Shareholders	No. of Shares	% of Shareholding
Prabhav Narasimha Rao	6,000	60.00%
Priyashaila Prabhav Rao	4,000	40.00%
Total	**10,000**	**100.00%**

2. *Achates Hospitality Services Private Limited*

Name of the Entity	Achates Hospitality Services Private Limited
Category	Private Company
Name of Directors	1.Prabhav Narasimha Rao 2.Priyashaila Prabhav Rao
Brief Description and nature of the activity or Business	Providing Hospitality and corporate Accommodations
Date of Incorporation	10-12-2008
PAN	AAHCA4867B
Registered Office Address	C1-1205, L&T South City, Arekere Mico Layout, Bannerghata Road, Bangalore, Karnataka, India, 560076

Audited Financial Information (₹ in Lakhs)			
Particulars	**FY 2023-24**	**FY 2022-23**	**FY 2022-21**
Share Capital	3.00	3.00	3.00
Reserves and Surplus	(3.00)	(8.66)	(8.59)
Net Worth	0.00	(5.66)	(5.59)
Total Income	15.62	0.00	0.00
Profit/(Loss) after Tax	5.66	(0.08)	(0.08)
Earning Per Share (face value of ₹ 10/- each)	18.87	0.25	0.25
Net Asset Value Per Share (₹)	0.00	(18.87)	(18.63)

Shareholding Pattern of Achates Hospitality Services Private Limited as on 31.03.2024

Name of the Shareholders	No. of Shares	% of Shareholding
Prabhav Narasimha Rao	6,000	20%
Anuradha P Rao	3,000	10%
Priyashaila Prabhav Rao	13500	45%
Sunitha V Rao	7500	25%
Total	**30,000**	**100%**

3. Orbis Technosphere Private Limited

Name of the Entity	Orbis Technosphere Private Limited		
Category	Private Company		
Name of Directors	1.Prabhav Narasimha Rao 2.Priyashaila Prabhav Rao		
Brief Description and nature of the activity or Business	Providing IT Solutions		
Date of Incorporation	13-08-2012		
PAN	AABCO7052N		
Registered Office Address	No.75, PANDURANGANAGAR, Bangalore, Karnataka, India, 560076		
Audited Financial Information (₹ in Lakhs)			
Particulars	**FY 2023-24**	**FY 2022-23**	**FY 2022-21**
Share Capital	1.00	1.00	1.00
Reserves and Surplus	(1.00)	(15.18)	(15.10)
Net Worth	0.00	(14.18)	(14.10)
Total Income	17.97	0.00	0.00
Profit/(Loss) after Tax	14.18	(0.08)	(0.08)
Earning Per Share (face value of ₹ 10/- each)	142.00	0.76	0.75
Net Asset Value Per Share (₹)	0.00	(141.80)	(141.00)

Shareholding Pattern of Orbis Technosphere Private Limited as on 31.03.2024

Name of the Shareholders	No. of Shares	% of Shareholding
Prabhav Narasimha Rao	5,000	50%
Priyashaila Prabhav Rao	5,000	50%
Total	**10,000**	**100%**

LITIGATION

For details, see "***Outstanding Litigation and Material Developments*** – Litigations involving Group Companies" beginning on page 273 of this Draft Red Herring Prospectus.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

- Our Group Companies do not have any interest in the promotion of our Company.
- Our Group Companies are not interested in the properties acquired by our company in the three (3) years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.
- Our Group Companies are not interested in any transactions for acquisition of plant, construction of building or supply of machinery.

RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in the chapter titled "***Restated Financial Statements - Related Party Transactions***" beginning on page 243 of this Draft Red Herring Prospectus, there are no other business transactions between our Company and Group Companies.

BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in the chapter ***"Restated Financial Statements"*** beginning on page 202 of Draft Red Herring Prospectus, our Group Company do not have or propose to have any business interest in our Company.

OTHER CONFIRMATIONS

- No equity shares of our Group Company are listed on any stock exchange.
- Except as disclosed, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus. For further details, please see the chapter "***Other Regulatory and Statutory Disclosures***" beginning on page 285 of this Draft Red Herring Prospectus.
- None of the securities of our Group Company has been refused listing by any stock exchange in India or abroad during last ten years, nor has our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

RELATED PARTY TRANSACTIONS

For details on related party transactions (As per the requirement under Accounting Standard 18 "Related Party Disclosure" issued by ICAI) of our Company during the restated audit period as mentioned in this Draft Red Herring Prospectus i.e., for the Six months ended September 30, 2024 and the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 please refer to Section titled, ***"Financial Information - Related Party Transactions"***, beginning on page 243 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act, 2013. The Members of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not paid / declared any dividend in last three years from date of this Draft Red Herring Prospectus.

SECTION IX: FINANCIAL INFORMATION

FINANCIAL STATEMENT AS RESTATED

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON THE RESTATED FINANCIAL INFORMATION OF LEAPFROG ENGINEERING SERVICES LIMITED

To,
The Board of Directors,
Leapfrog Engineering Services Limited,
(formerly known as Leapfrog Engineering Services Private Limited)
No. 496, Chaithanya Dhriti Rudresh, 6th Main,
8th Cross, Vijaya Bank Layout, Bannerghatta Road,
Bangalore – 560 076

Dear Sir/Madam,

1. We **M/s. Rao Associates,** Chartered Accountant ("we" or "us") have examined the attached Restated Financial Information of **Leapfrog Engineering Services Limited** *(Formerly known as "Leapfrog Engineering Services Private Limited")* (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the **"Restated Financial Information"**), as approved by the Board of Directors of the Company at their meeting held on 16/12/2024, for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares at SME Platform ("SME IPO").

2. These Restated Statements have been prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act").
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus to be filed with Securities and Exchange Board of India ("SEBI"), Registrar of Companies, (Bangalore) and the relevant Stock Exchange in connection with the proposed SME IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in **Annexure IV & V** to the Restated Financial Information. The Board of Directors of the Company's responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 17/12/2024 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) The Concept of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company as at and for the six-month period ended on September` 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, which has been approved by the Board of Directors.

   a) The financial statements of the Company as at and for the six-month period ended on September 30, 2024 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 16/12/2024 and Audited by us vide our Audit Report dated 19/12/2024.

      We have audited the special purpose financial statements of the company as at and for the six-month period ended on September 30, 2024 prepared by the company in accordance with Companies Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO.

   b) The financial statements of the Company as at and for the financial years ended on March 31, 2024 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 04/05/2024 and Audited by us vide our Audit Report dated 04/05/2024

   c) The financial statements of the Company as at and for the financial years ended March 31, 2023 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 05/09/2023 and Audited by us vide our Audit Report dated 05/09/2023

   d) The financial statements of the Company as at and for the financial years ended March 31, 2022 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 05/09/2022 and Audited by us vide our Audit Report dated 05/09/2022

6. For the purpose of our examination, we have relied on:

   a) Auditors' report issued by us dated 19/12/2024 for the six-month period ended on September 30, 2024.

   b) Auditors' report issued by us dated 04/05/2024 for the financial year ended on March 31, 2024.

   c) Auditors' report issued by us dated 05/09/2023 for the financial year ended on March 31, 2023 and

   d) Auditors' report issued by us dated 05/09/2022 for the financial year ended on March 31, 2022.

7. Based on our examination and according to the information and explanations given to us, we report that:

   a) The **"Restated Statement of Assets and Liabilities"** as set out in **Annexure I** to this report, of the Company as at and for the six-month period ended September on 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.

b) The **"Restated Statement of Profit and Loss"** as set out in **Annexure II** to this report, of the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.

c) The **"Restated Statement of Cash Flow"** as set out in **Annexure III** to this report, of the Company as at and for the six-month period ended September on 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.

d) The Restated Standalone Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

e) The Restated Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

f) The Restated Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;

g) There are no extra-ordinary items that needs to be disclosed separately in the accounts other than those already disclosed.

h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, which would require adjustments in this Restated Financial Statements of the Company;

i) The Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV & V** to this report;

j) Adjustments in Restated Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Statements;

k) There was no change in accounting policies, which needs to be adjusted in the Restated Statements;

l) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;

m) The company has not proposed any dividend in past effective for the said period.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six-month period ended September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.

Annexure No.	Particulars
I	Restated Statement of Assets and Liabilities
II	Restated Statement of Profit and Loss
III	Restated Cash Flow Statement

Annexure No.	Particulars
IV	Summary Statement of Significant Accounting Policies, Notes to Restated Financials Statements and Material Adjustments to Restated Financials Statements
V	Notes to the Restated Financial Information
V-1	Restated Statement of Share Capital
V-2	Restated Statement of Reserves & Surplus
V-3	Restated Statement of Long-Term Borrowings
V-4	Restated Statement of Deferred Tax Liabilities/(Assets) - Net
V-5	Restated Statement of Long-Term Provisions
V-6	Restated Statement of Short-Term Borrowings
V-7	Restated Statement of Trade Payables
V-8	Restated Statement of Other Current Liabilities
V-9	Restated Statement of Short-Term Provisions
V-10A	Restated Statement of Property, Plant and Equipment and Intangible assets
V-10B	Restated Statement of Non-Current Investments
V-11	Restated Statement of Other Non-Current Assets
V-12	Restated Statement of Inventories
V-13	Restated Statement of Trade Receivables
V-14	Restated Statement of Cash & Bank Balances
V-15	Restated Statement of Short-Term Loans and Advances
V-16	Restated Statement of Other Current Assets
V-17	Restated Statement of Revenue from operations
V-18	Restated Statement of Other Income
V-19	Restated Statement of Cost of Materials Consumed
V-20	Restated Statement of Contract Execution Expenses
V-21	Restated Statement of Changes in Work in Progress
V-22	Restated Statement of Employee Benefits Expense
V-23	Restated Statement of Finance Costs
V-24	Restated Statement of Depreciation and amortization expense
V-25	Restated Statement of Other Expenses
V-26	Restated Statement of Provisions, Contingent Liability and Contingent Assets
V-27	Value of Imports Calculated on C.I.F Basis
V-28	Earning in Foreign Currency Through Exports
V-29	Statement of Tax Shelter
V-30	Details of Exceptional Items Debited to Profit and Loss account
V-31	Net Profit or Loss for the Period, Prior Period items and Changes in Accounting Policies.
V-32	Expenditure in Foreign Currency
V-33	Details of Import/Indigenous Components of Cost of Materials Consumed
V-34	Statement of Related Party Transactions
V-35	Additional Information to the Financial Statements
V-36	Statement of Accounting and other Ratios, as per SEBI ICDR
V-37	Statement of Other Accounting Ratios, as per Companies Act, 2013
V-38	Capitalisation Statement

9. We, M/s. Rao Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate no. 014277 issued by the **"Peer Review Board"** of the ICAI which is valid till 31st May 2025.

10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the report on the audited financial statements mentioned in paragraph 5 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Bangalore in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Rao Associates
Chartered Accountants
Firm Reg. No: 003080S
PRC No: 014277

Sd/-

(Shilpa D Rao)
(Partner)
Membership No: 230596
UDIN: 25230596BMLWOS5766

Place: Bengaluru
Date: 27/12/2024

ANNEXURE-I

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

	PARTICULARS	Note No	As at 30th September 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
	EQUITY AND LIABILITIES					
1)	**Shareholders' funds**					
a	Share capital	V-1	1,008.00	48.00	48.00	48.00
b	Reserve and Surplus	V-2	1,598.48	2,123.03	483.76	455.46
2)	**Non-Current Liabilities**					
a	Long-term borrowings	V-3	83.14	59.36	101.58	162.56
b	Deferred tax liabilities	V-4	-	-	-	-
c	Long-term provisions	V-5	52.31	49.58	65.96	54.34
3)	**Current liabilities**					
a	Short-term borrowings	V-6	1,713.71	1,318.49	1,203.11	1,819.18
b	Trade payables	V-7				
	total outstanding dues of micro enterprises and small enterprises; and		76.25	93.80	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises		1,033.21	778.70	376.25	514.86
c	Other current liabilities	V-8	156.98	100.59	4,337.71	50.58
d	Short-term provisions	V-9	674.92	539.18	29.01	68.96
	TOTAL		**6,397.00**	**5,110.73**	**6,645.38**	**3,173.94**
	ASSETS					
1)	**Non-current assets**					
a	Property, Plant and Equipment and Intangible Assets	V-10A				
	Property, Plant and Equipment	(i)	101.07	112.7	59.06	33.78
	Intangible assets	(ii)	15.16	18.58	18.05	2.82
	Capital work-in-progress	(iii)	-	-	-	-
b	Non-Current Investments	V-10B	-	-	12.00	12.00
c	Deferred tax assets (net)	V-4	28.47	25.11	13.76	23.55
d	Long-term Loans and Advances		-	-	-	-
e	Other non-current assets	V-11	334.37	224.29	340.76	261.87
2)	**Current assets**					
a	Inventories	V-12	897.62	860.27	361.68	439.04
b	Trade receivables	V-13	2,079.91	1,236.99	1,484.95	1,025.28
c	Cash and Bank Balances	V-14	714.13	730.23	887.24	532.77
d	Short-term loans and advances	V-15	1,029.25	829.54	2,919.64	615.88
e	Other current assets	V-16	1,197.02	1,073.02	548.24	226.95
	TOTAL		**6,397.00**	**5,110.73**	**6,645.38**	**3,173.94**

See accompanying notes to the restated financial statements

ANNEXURE-II

RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in Lakhs)

	PARTICULARS	Note No	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
I	Revenue from Operations	V-17	3,131.22	15,785.42	10,417.86	4,159.14
II	Other Income	V-18	77.49	502.27	120.02	69.76
III	**Total Income (I + II)**		**3,208.71**	**16,287.69**	**10,537.88**	**4,228.90**
IV	**Expenses**					
	Cost of materials consumed	V-19	1,517.25	11,923.90	7,988.58	2,002.06
	Contract Execution Expenses	V-20	365.92	1,115.72	819.03	757.10
	Changes in Work in progress	V-21	115.36	(243.11)	56.24	497.30
	Employee benefits expense	V-22	338.10	458.98	403.63	252.70
	Finance costs	V-23	102.68	179.52	138.92	208.27
	Depreciation and amortisation expense	V-24	22.12	58.72	19.45	11.20
	Other expenses	V-25	182.25	494.86	1,049.87	403.24
	Total expenses		**2,643.68**	**13,988.59**	**10,475.72**	**4,131.87**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		**565.03**	**2,299.10**	**62.16**	**97.03**
VI	Exceptional items		-	62.00	-	-
VII	**Profit before extraordinary items and tax (V - VI)**		**565.03**	**2,237.10**	**62.16**	**97.03**
VIII	Extraordinary items		-	-	-	-
IX	**Profit before tax (VII- VIII)**		**565.03**	**2,237.10**	**62.16**	**97.03**
X	**Tax expense:**					
	Current Tax		132.93	609.18	24.06	40.14
	Deferred Tax		(3.35)	(11.35)	9.80	(5.40)
XI	**Profit After Tax (IX-X)**		**435.45**	**1,639.27**	**28.30**	**62.29**
	Earnings per equity share:	IV B-10				

See accompanying notes to the restated financial statements

ANNEXURE III
RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

PARTICULARS	For the Period from 01st April 2024 to 30th September 2024	For the Year Ended		
		31st March 2024	31st March 2023	31st March 2022
A) Cash Flow From Operating Activities :				
Net Profit before tax	565.03	2,237.10	62.16	97.03
Adjustment for :				
Depreciation and amortization	22.12	58.72	19.45	11.20
Interest Paid	102.68	179.52	138.92	208.27
Provision for Gratuity	-	-	-	-
Interest Income	(35.17)	(50.35)	(44.78)	(38.12)
Operating profit before working capital changes	**654.66**	**2,424.99**	**175.75**	**278.38**
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(842.92)	247.96	(459.67)	(44.92)
(Increase)/Decrease in Inventory	(37.35)	(498.59)	77.36	575.28
(Increase)/Decrease in Short Term Loans & Advances	(199.71)	2,090.10	(2,303.76)	(121.34)
(Increase)/Decrease in Other Current Assets	(124.00)	(524.79)	(321.29)	(91.34)
(Increase)/Decrease in Other Non Current Assets	(110.08)	116.47	(78.89)	(1.15)
Increase/(Decrease) in Trade Payables	236.96	496.25	(138.61)	(451.44)
Increase/(Decrease) in Provisions	11.04	(18.13)	(12.25)	41.12
Increase/(Decrease) in Other Current Liabilities	56.40	(4,237.12)	4,287.13	15.43
Cash generated from operations	**(355.00)**	**97.14**	**1,225.77**	**200.02**
Taxes Paid	(5.50)	(97.26)	(40.14)	(57.65)
Net cash flow from operating activities A	**(360.50)**	**(0.12)**	**1,185.63**	**142.37**
B) Cash Flow From Investing Activities :				
Net Sale /Purchase of Property, plant & equipment	(7.08)	(114.00)	(59.96)	(16.71)
Sale of Tangible Fixed Assets	-	0.31	-	-
Write off of investment	-	12.00	-	-
Loss on sale of fixed assets	-	0.81	-	-
Capital Work in Progress	-	-	-	-
Investment made/Sold during the year	-	-	-	-
Interest Income	35.17	50.35	44.77	38.12
Net cash flow from investing activities B	**28.09**	**(50.53)**	**(15.19)**	**21.41**
C) Cash Flow From Financing Activities :				
Additional Capital From Partners	-	-	-	-
Repayment of capital on conversion	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	395.21	115.38	(616.07)	79.94
Increase/(Decrease) in Long Term Borrowings	23.78	(42.22)	(60.98)	10.76
Interest Paid	(102.68)	(179.52)	(138.92)	(208.27)
Net cash flow from financing activities C	**316.31**	**(106.36)**	**(815.97)**	**(117.57)**
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	**(16.10)**	**(157.01)**	**354.47**	**46.21**
Cash and Bank Balances at the beginning of the year	730.23	887.24	532.77	486.56
Cash and Bank Balances at the end of the year	**714.13**	**730.23**	**887.24**	**532.77**

Notes:-

PARTICULARS	For the Period from 01st April 2024 to 30th September 2024	31st March 2024	31st March 2023	31st March 2022
Component of Cash and Cash equivalents				
Cash on hand	2.69	2.14	2.68	0.95
Balance With banks	-	-	260.35	14.20
Other Bank Balances				
Balances with banks to the extent held as margin money or security against the borrowings, guarantees	711.44	728.09	624.21	517.62

1) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

2) The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.

See accompanying notes to the restated financial statements

ANNEXURE-IV

"SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, NOTES TO RESTATED FINANCIAL STATEMENTS & MATERIAL ADJUSTMENTS TO RESTATED FINANCIAL STATEMENTS"

COMPANY INFORMATION

Leapfrog Engineering Services Limited (the "Company") was incorporated under the name and style of "Leapfrog Informatics Private Limited" on 09-05-2005, and a certificate of incorporation dated 09-05-2005 was issued by the Registrar of Companies, The company's name was subsequently changed to Leapfrog Engineering Services Private Limited on 23rd January 2009. Leapfrog Engineering Services Private Limited was converted to a public limited company on 21-06-2024 with the change of name to "Leapfrog Engineering Services Limited" in accordance with the provisions of the Companies Act, 2013, and a new certificate of incorporation dated 21-06-2024 was issued by the Registrar of Companies, CPC.

The registered office of the Company is situated at No.496, Chaitanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore 560 076. Leapfrog Engineering Services Limited is engaged into execution of integrated engineering, procurement, construction, and commissioning (EPCC) contracts with a specialized focus on electrical, instrumentation, fire safety, modular substation and automation systems. The Company provides EPC services for a wide range of industries, including Oil and Gas, Food processing, Pharma, Metals among others.

“The significant accounting policies have been predominantly presented below in the order of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 (as amended).
“

A) SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at and for the six-month period ended on September 30, 2024 and as at and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the six-month period ended in September 30, 2024 and as at and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 (hereinafter collectively referred to as “Restated Financial Information”) have been extracted by the management from the Audited financial statements for the six-month period ended on September 30, 2024 and as at and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 as approved by the Board of Directors of the company. These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of The Companies Act, 2013 („the Act‟) read with Rule 7 of The Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to The Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

USE OF ESTIMATES

The preparation of the financial statements in confirmity with applicable Accounting Standards requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

INVENTORIES

Raw Materials, Stores and Spares are valued at cost. Work-in-Progress is valued at cost applying weighted average method. Cost includes cost of Materials, Labour and other appropriate overheads. Finished Goods are valued at lower of cost and realizable value.

CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts. The cash flows from operating, investing and financing activities of the Company are segregated based on available information or payments.

CASH AND CASH EQUIVALENT

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

REVENUE RECOGNITION

(a) Contract Revenue: When the outcome of a contract can be measured reliably, contract revenue and contract costs associated with the contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The stage of completion is determined on the basis of actual work executed during the year, which is billable to the customer. For the purpose of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and they are capable of being reliably measured. The percentage of completion method is applied on a cumulative basis in each accounting year to the current estimates of contact revenue and contract costs. The effect of a change in the estimate of the outcome of a contract is accounted for as a change in accounting estimates and the effect of which are recognised in the statement of profit and loss in the year in which the change is made and in subsequent years. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the year in which they are incurred. When it is probable that the total contract cost will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the year in which such probability occurs.

(b) Revenue in respect of sales is recognised on the transfer of significant risks and rewards of ownership to the customers.

(c) Sales disclosed is net of applicable tax on Sale and sales returns

(d) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

PROPERTY, PLANT & EQUIPMENT

Items of Property, plant and equipment are measured at its cost less any accumulated depreciation and any accumulated impairment losses. The cost comprises its purchase price including import duties and non- refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The company has capitalized all costs relating to acquisition and installation of intangible fixed assets.

DEPRECIATION & AMORTISATION

Depreciation on Property, Plant and Equipment and intangible assets is provided to the extent of depreciable amount on the written down value method. Depreciation on property, plant and equipment is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013. Software (Intangible Assets) is amortised over a period of 10 years.

FOREIGN CURRENCY TRANSACTIONS

"Transactions in foreign currency are recognised at the exchange rates ruling on the dates of the transactions. Liabilities / Assets in foreign currency are reckoned in accounts as per the following principle. Foreign currency liabilities contracted for acquiring fixed assets from a country outside India are restated at the rates ruling at the year-end and all exchange differences arising as a result of such restatement are adjusted to the cost of fixed assets.

All monetary assets and liabilities denominated in foreign currency are restated at the rates ruling at the year end and all exchange gains/ losses arising there from are adjusted to the statement of Profit and Loss."

EMPLOYEE BENEFITS

(a) Gratuity:
The Company is making provision in respect of gratuity payable on the basis of acturial valuation.

(b) Leave Benefits:
The company provides Sick leave and Casual Leave to its employees. The leave entitlement is determined on Calendar year basis at the end of the year.

The company does not have a scheme for the carrying forward of Un-availed Sick Leave/casual leave and the same cannot be en-cashed and also lapses at the end of the period.
Employees are entitled to accumulate earned leave and the provision in respect of which are made on the basis of acturial valuation.

(c) Provident Fund/ Pension Fund:
The employees of the company are covered under Employee Provident Fund Scheme. The periodical contributions to the scheme are expensed as and when incurred."

BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of profit and loss.

EARNINGS PER SHARE:

Basic earnings per share are computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

ACCOUNTING FOR TAXES ON INCOME

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on Accounting for Taxes on Income‟ (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

IMPAIRMENT OF ASSETS:

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

PROVISIONS AND CONTINGENCIES

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

B) NOTES TO RESTATED FINANCIAL STATEMENTS:

The financial statements for the financial year ended on 31st March 2022, 2023, 2024 and for the period ended on 30th September 2024 respectively are prepared as per Schedule III of the Companies Act, 2013: -

1) The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/ information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2) Segment Reporting (AS 17)

(i) Business Segment - For the period ended 30-09-2024 **(Rs. in Lakhs)**

Particulars	Contracts	Other Segments	Total
Revenue from Operations	2,836.66	294.56	3,131.22
Identifiable operating expenses	1,801.00	236.99	2,037.99
Segment Operating Income	1,035.66	57.57	1,093.23

(ii) Geographical Segment - For the period ended 30-09-2024 **(Rs. in Lakhs)**

Particulars	Amount
Revenue from Operations within India	1,649.02
Revenue from Operations outside India	1,482.20
Total Revenue from Operations	3,131.22

(iii) The company was a small and medium sized company (SMC) until 31.03.2024. Since the company is in the process of listing during the current reporting period, the company shall be categorized as non-SMC and is required to report under the accounting standards applicable for a non-SMC for the period commencing from 01.04.2024 onwards. Since this is the first year of reporting under the said standard, figures of previous year have not been furnished.

(iv) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed under "Other Segments".

(v) Assets and liabilities used in the business are not identified to any of the reportable segments, as these are used interchangeably between different segments. The Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

2) Post-Employment Benefits (AS 15) **(Rs. in Lakhs)**

PARTICULARS	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
I.ASSUMPTIONS				
Discount Rate	6.93%	7.28%	7.52%	7.51%
Expected Rate of Salary Increase	5.00%	7.00%	7.00%	7.00%
Mortality Rate	-0.01	-0.01	0.02	0.04
Retirement				
II.CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS				
Defined Benefit Obligation at beginning of the year	42.79	62.03	51.21	34.91
Current Service Cost	3.73	6.84	9.03	6.50
Interest cost	1.55	4.67	3.85	2.47
Actuarial(Gains)/Losses on Obligations	10.06	(30.74)	(2.05)	7.34
Defined Benefit Obligation as at end of the year.	47.69	42.80	65.17	53.96

PARTICULARS	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
III.AMOUNT RECOGNIZED IN THE BALANCE SHEET:				
Net liability as at beginning of the year	42.79	62.03	51.21	34.91
Net expense recognized in the Statement of Profit and Loss	15.16	(19.24)	10.82	16.30
Expected Return on Plan Assets	10.27		-	-
Net liability as at end of the year	47.68	42.79	62.03	51.21
IV.EXPENSE RECOGNIZED:				
Current Service Cost	3.73	6.84	9.03	6.50
Interest Cost	1.55	4.67	3.85	2.47
Return on Plan Assets	-	-	-	-
Actuarial(Gains)/Losses on Obligations- Due to Change in Financial Assumptions	10.06	(30.74)	(2.05)	7.34
Expense charged to the Statement of Profit and Loss	15.16	(19.23)	10.83	16.31
V.BALANCE SHEET RECONCILIATION:				
Opening net liability	42.79	62.03	51.21	34.91
Expense as above	15.16	(19.23)	10.82	16.31
Provision Related to Prev. Year booked as Prior Period Items.	-	-	-	-
Return on Plan Assets	10.27	-	-	-
Benefits Paid	-	-	-	-
Net liability/(asset) recognized in the balance sheet.	47.68	42.80	62.03	51.22

4) **Accounting for Taxes on Income (AS 22)** **(Rs. in Lakhs)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: "Accounting for Taxes on Income" as at the end of the year is reported as under.

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Deferred Tax Assets/Liabilities Provision				
Deferred Tax Asset Components	28.47	25.11	10.19	21.93
Deferred Tax Liability Components	-	-	-	-
Deferred Tax (Asset)/ Liability	**(28.47)**	**(25.11)**	**(10.19)**	**(21.93)**
Restated Closing Balance of Deferred Tax (Asset)/ Liability	**(28.47)**	**(25.11)**	**(13.76)**	**(23.55)**
Deferred Tax (Assets)/ Liability as per Balance sheet of PY	(25.11)	(13.76)	(23.55)	(18.16)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(3.35)	(11.35)	9.80	(5.40)

5) **Contingent liabilities and commitments (to the extent not provided for)**
A disclosure for a contingent liability is reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources- Refer Annexure: V-26 for details.

6) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

The Micro, Small and Medium Enterprises has been identified by the company from the available information and the same has been relied upon by the auditors of the Company. According to such identification, the disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act 2006 is as under:

(Rs. in Lakhs)

	Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
1	The Principal amount and the Interest due thereon unpaid to suppliers at the end of each accounting year	76.25	93.80	-	-
2	The amount of Interest paid by the buyer in terms of section 16 of the MSME Development Act. 2006, along with which the amounts of the payment made to the supplier beyond the appointed day of each accounting year.	-	-	-	-
3	The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME Development Act 2006.	-	-	-	-
4	The amount of Interest accrued and remaining unpaid at the end of the accounting year and the amount of further interest remaining due and payable even in the. succeeding years, untill such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	2.12	-	-	-

Information regarding outstanding age-wise dues to Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has been disclosed in the Annexure: V-35 of the enclosed financial statements.

7) Related party transactions.

A disclosure already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure: V-34 of the enclosed financial statements.

8) Directors' Remuneration: **(Rs. in Lakhs)**

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Directors' Remuneration	34.61	50.91	48.66	59.13

9) Auditors' Remuneration: **(Rs. in Lakhs)**

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
As Auditors				
Statutory & Tax Audit Fees	3.00	9.00	4.50	4.50

10) Earnings per Share: **(Rs. in Lakhs except per share data)**

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Total No. of equity shares outstanding at the end of the year	10,08,00,000	4,80,000	4,80,000	4,80,000
Weighted average no. of eq. shares outstanding during the year	10,08,00,000	4,80,000	4,80,000	4,80,000
Weighted average no. of eq. shares outstanding during the year (After Bonus Issue and Stock Split with retrospective effect)*	10,08,00,000	10,08,00,000	10,08,00,000	10,08,00,000
Net profit after tax	435.45	1,639.27	28.30	62.29
Basic and Diluted earnings per share before bonus issue and Stock split	**Not Applicable**	**341.51**	**5.90**	**12.98**
Basic and Diluted earnings per share after bonus issue and stock split	**0.43**	**1.63**	**0.03**	**0.06**

***Note:**

The Board of Directors at its meeting held on 16-05-2024 pursuant to section 63 and all other applicable provisions, if any, of the Companies Act 2013. and rules made thereunder, proposed that a sum of Rs.960.00 Lakhs be capitalised as Bonus Equity Shares out of free reserves and surplus, distributed amongst the Equity Shareholders by issue of 96.00 Lakh Equity Shares of Rs.10 each credited as Fully paid to the Equity Shareholders in the proportion of 20 Equity Share for every 1 (One) Equity Share. It has been approved in the extra ordinary general meeting held on 16-05-2024. The Board of Directors of the Company in the Board meeting dated 17-05-2024 alloted the Bonus Equity Shares to the shareholders of the Company. As a result of this the issued, subscribed & fully paid up equity share capital of the company is 100.80 Lacs equity shares of face value of Rs 10 each i.e. Rs. 1008.00 Lacs. Earnings Per Share calculations have been restated for all periods to give effect of bonus issue.

Face value (Par value) of Equity Shares has been reduced from Rs. 10 to Re. 1 per share resulting in increase in Number of Authorized equity shares from 1,50,00,000 to 15,00,00,000 and Issued, subscribed & fully paid equity shares from 1,00,80,000 to 10,08,00,000 equity shares in terms of EGM resolution dated 05-08-2024.

11) The Restated financial statements has been reclassified / regrouped / recasted, wherever considered necessary, to conform to the current years presentation. Figures wherever not available/furnished in the last year's financial statements have not been given and hence not strictly comparable.

12) Contractual liabilities:

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

13) Pending Litigation

Details of pending litigation as on 30-09-2024 is as under:

Case Details	Case Filed by	Court	Status as on 30/09/2024
Mega Power Solutions Vs Leapfrog Engineering Services Pvt ltd - Comm.AP. No. 278/2022	Mega Power Solutions	High Court of Karnataka	Pending for Hearing
Leapfrog Engineering Services Pvt ltd Vs Mega Power Solutions - Comm.AP. No. 124/2023	Leapfrog Engineering Services Pvt Ltd	High Court of Karnataka	Pending for Hearing

14) Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

Details of Auditors qualifications and their impact on restated financial statement is given below:

a) Qualification which required adjustment in restated financial statements:

There has been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2021-22, 2022-23, 2023-24 and for the six-month period ended September 30, 2024 which requires adjustments in restated financial statements.

b) Qualification which does not require adjustment in restated financial statements:

Non-Confirmation of balances from Sundry Debtors, Retention Deposits with customers, Sundry Creditors and Loans and advances and consequential effect on accounts if any

15) Additional regulatory information required by Schedule III of Companies Act, 2013:

a) The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant a provision of the Income Tax Act, 1961.

b) The Company has not traded or invested in crypto currency or virtual currency.

c) Details of transactions with Struck off Companies during the reporting period are as under:

FY 2021-22 **(Rs. in Lakhs)**

Name of the Company	Amount	Nature of Transaction	Remarks
NIL			

FY 2022-23

Name of the Company	Amount	Nature of Transaction	Remarks
NIL			

FY 2023-24

Name of the Company	Amount	Nature of Transaction	Remarks
Beatinfo Consulting Services Private Limited	12.00	Write off of Investments	

FY 2024-25 upto 30-09-2024

Name of the Company	Amount	Nature of Transaction	Remarks
NIL			

d) The company has not been declared as willful defaulter by any bank or from any other lender during the period ended September 2024, March 2024, March 2023 and March 2022.

e) The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.

f) As per the information & detail available on records and the disclosure given by the management, Compliance with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017 is not applicable to the company.

g) The Quarterly returns / statement of current assets filed by the Company with Bank are in agreement with the books of accounts maintained by the company

h) The provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 as follows

(Rs. in Lakhs)

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Amount required to be spent by the company during the year	15.95	Not Applicable		
Amount of expenditure incurred till 30-09-2024	-			
Shortfall at the end of the year/Period	15.95			
Total of previous year shortfall	-			
Reason for shortfall	-			
Nature of CSR Activities	-			
Details of related party transactions	-			
Provision with respect to a liability incurred contractual obligation	-			
Opening Balance	-			
Additions	-			
Utilized/Reversal	-			
Closing Balance	-			

i) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

C) MATERIAL ADJUSTMENTS TO RESTATED FINANCIAL STATEMENTS

1) Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

2) Material Adjustments:

a) Reconciliation Of Restated Profit/(Loss):

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Rs. in Lakhs)

Adjustments for	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	435.41	1,600.89	34.15	92.41
Adjustments for:				
Change in Depreciation	-	14.17	(7.75)	(3.14)
Prior Period Adjustments	-	-	-	-
Change in Provision for Tax Expenses	0.04		(0.05)	
Change in Provision for Deferred Tax	-	(3.57)	1.95	0.80
Revenue expenditure wrongly capitalised/Reversed	-	27.78		(27.78)
Prepaid Expenses wrongly debited to P/L	-			
Net Profit/ (Loss) After Tax as Restated	**435.45**	**1,639.27**	**28.30**	**62.29**

Notes:

1) Depreciation Expenses: The Entity has depreciated its property, plant and equipment using Reducing Balance Method at the useful life of respective assets as specified in Schedule-II of Companies Act, 2013 for the FY 2021-22, 2022-23, 2023-24 & period ended on 30th September 2024

2) Provision for Gratuity: The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits.

3) Tax Expenses: The Tax Expenses have been Considered based on the restated profits on the same tax expenses also undergone change.

4) Deferred Tax: Deferred Tax Liability/Asset for the financial years 2021-22, 2022-23, 2023-24 & period ended on 30th September 2024 are calculated as per Accounting Standard 22.

5) Revenue Expenditure: There are no revenue items of expenditure requiring restatement other than what has been detailed / adjusted above.

6) Prepaid Expenses: There are no items of Prepaid Expenses requiring restatement.

b) Reconciliation Of Equity And Reserves:

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:-

(Rs. in Lakhs)

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Equity and Reserves as per Audited Balance Sheet:	**2,606.48**	**2,171.07**	**570.18**	**536.03**
Adjustments for:				
Difference Due to Change in P&L	-	-	(38.42)	(30.12)
Prior Period Adjustments	-	(0.04)	-	(2.45)
Equity and Reserves as per Re-stated Balance Sheet	**2,606.48**	**2,171.03**	**531.76**	**503.46**

3) Adjustments Having No Impact on Networth and Profit.

Material Regrouping:

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:

ANNEXURE: V-1 RESTATED STATEMENT OF SHARE CAPITAL

1) Share Capital **(Rs. in Lakhs except share data)**

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Share Capital				
Authorised Share Capital				
15,00,00,000 Equity shares of ₹ 1/- each	1,500.00	-	-	-
FY 2024: 1,50,00,000 Equity shares of ₹10/- each FY 2023: 10,00,000 Equity shares of ₹10/- each FY 2022: 10,00,000 Equity shares of ₹10/- each	-	1,500.00	100.00	100.00
Issued, Subscribed and Paid up Share Capital				
10,08,00,000 Equity Shares of ₹ 1/- each fully paid-up	1,008.00	-	-	-
FY 2024: 4,80,000 Equity shares of ₹10/- each fully paid-up FY 2023: 4,80,000 Equity shares of ₹10/- each fully paid-up FY 2022: 4,80,000 Equity shares of ₹10/- each fully paid-up	-	48.00	48.00	48.00
Total	**1,008.00**	**48.00**	**48.00**	**48.00**

Notes:

a) Equity Shares: The Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity share is entitled to one vote per share held and is entitled to dividend, if declared at the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Issue of 96,00,000 equity shares represents fresh allotment as bonus shares in terms of EGM resolution dated 16-05-2024. Bonus shares in the proportion of 20 (Twenty) new equity shares for every 1 (one) existing fully paid up equity shares. Face value (Par value) of Equity Shares has been reduced from ₹ 10.00 to ₹ 1.00 per share resulting in increase in Number of Authorized equity shares from 1,50,00,000 to 15,00,00,000 and Issued, subscribed & fully paid equity shares from 1,00,80,000 to 10,08,00,000 equity shares in terms of EGM resolution dated 05-08-2024.

c) The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Number of shares at the beginning	4,80,000	4,80,000	4,80,000	4,80,000
Add: Fresh Issue of shares during the year - Bonus Issue	96,00,000	-	-	-
Add: Increase in no of shares as a result of Stock split	9,07,20,000			
Less: Buyback of shares during the year	-	-	-	-
Number of shares at the end	**10,08,00,000**	**4,80,000**	**4,80,000**	**4,80,000**

d) The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	As At 30th September 2024	31st March 2024	31st March 2023	31st March 2022
Prabhav N Rao				
No. of shares held	4,76,28,000	2,26,800	2,40,000	2,40,000
in %	47.25%	47.25%	50.00%	50.00%
Priyashaila P Rao				
No. of shares held	4,56,12,000	2,17,200	2,40,000	2,40,000
in %	45.25%	45.25%	50.00%	50.00%

e) Details of shares held by promoters and Promoter Group at the end of the reporting period:

As at 30-09-2024			
Name of Promoter & Promoter Group	**No. of Shares held**	**Percentage of Holding**	**Percentage of change during the half-year**
Prabhav N Rao	4,76,28,000	47.25%	0.00%
Priyashaila P Rao	4,56,12,000	45.25%	0.00%
Ayush P Rao	40,32,000	4.00%	0.00%
Pranav N Rao	10,08,000	1.00%	0.00%
Prajna Shridhar Acharya	2,52,000	0.25%	0.00%
Prathibha Upadhyaya	2,52,000	0.25%	0.00%
Upanishad Prashant Rao	2,52,000	0.25%	0.00%
Total	**9,90,36,000**	**98.25%**	

As at 31-03-2024			
Name of Promoter & Promoter Group	**No. of Shares held**	**Percentage of Holding**	**Percentage of change during the year**
Prabhav N Rao	2,26,800	47.25%	-2.75%
Priyashaila P Rao	2,17,200	45.25%	-4.75%
Ayush P Rao	19,200	4.00%	4.00%
Pranav N Rao	4,800	1.00%	1.00%
Prajna Shridhar Acharya	1,200	0.25%	0.25%
Prathibha Upadhyaya	1,200	0.25%	0.25%
Upanishad Prashant Rao	1,200	0.25%	0.25%
Total	**4,71,600**	**98.25%**	

As at 31-03-2023			
Name of Promoter & Promoter Group	**No. of Shares held**	**Percentage of Holding**	**Percentage of change during the year**
Prabhav N Rao	2,40,000	50.00%	0.00%
Priyashaila P Rao	2,40,000	50.00%	0.00%
Total	**4,80,000**	**100.00%**	

As at 31-03-2022			
Name of Promoter & Promoter Group	**No. of Shares held**	**Percentage of Holding**	**Percentage of change during the year**
Prabhav N Rao	2,40,000	50.00%	0.00%
Priyashaila P Rao	2,40,000	50.00%	0.00%
Total	**4,80,000**	**100.00%**	**-**

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:

(Note: All the Amounts in the Restated financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.)

ANNEXURE: V-2 RESTATED STATEMENT OF RESERVES AND SURPLUS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Profit and Loss Account				
Opening Balance	2,123.03	483.76	455.46	393.17
Add: Profit/(Loss) for the year	435.45	1,639.27	28.30	62.29
Less: Utilised for Issue of Bonus Shares	(960.00)	-	-	-
Closing Balance	1,598.48	2,123.03	483.76	455.46
Total	**1,598.48**	**2,123.03**	**483.76**	**455.46**

ANNEXURE: V-3 RESTATED STATEMENT OF LONG-TERM BORROWINGS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
(Secured)				
Term Loans				
Canara Bank GECL	29.61	43.30	91.63	162.56
Canara Bank - Vehicle Loan	5.18	6.85	9.95	-
(Un-Secured)				
Ambit Finvest Private Limitedd	14.90	-	-	-
Godrej Finance Limited	18.93	-	-	-
SMFG India Credit Company Ltd	14.52	-	-	-
Tata Capital Financial Services Limited	-	9.21	-	-
Total	**83.14**	**59.36**	**101.58**	**162.56**

Notes:

a) Canara bank: Rate of Interest on loans varies based on RLLR.

b) Current Maturity of Long term debts disclosed under Annexure-V-6.

Details of Security/Repayment

(i) Canara Bank-OCC Account

Secured by:

(a) Hypothecation of Stock, WIP and Book Debts, Fixed assets and Term Deposits of the company

(b) Equitable Mortage of residential property of Promoters/Promoters Group

(c) Personal Guarantee of Promoters/Promoters Group

(d) Sanction Amount Rs. 800 Lacs

(e) Rate of Interest 11.40%

(f) Repayment on demand

(ii) The National Small Industries Corporation Limited

Secured by

(a) Bank Guarantee for 500.00 lakhs from Canara Bank.

(b) Sanction Amount Rs. 500 Lacs

(c) Rate of Interest 9.50%

(d) Repayment on demand

(iii) Oxyzo Financial Services Limited
Secured by
(a) Bank Guarantee for 75.00 lakhs from Canara Bank.*
(b) Personal Guarantee of Promoters
(c) Sanction Amount Rs. 75 Lacs
(c) Rate of Interest 14.50%
(d) Repayment on demand

* For FY 2021-22 & 2022-23 Bank Guarantee for 335 Lakhs from Canara Bank

(iv) Canara Bank Working Capital Term Loan Under GECL
Secured by:
(a) Hypothecation of Stock, WIP and Book Debts, Fixed assets and Term Deposits of the company
(b) Equitable Mortage of residential property of Promoters/Promoters Group
(c) Personal Guarantee of Promoters/Promoters Group
(d) Sanction Amount Rs. 169.5 Lacs
(e) Rate of Interest 7.50%
(f) Repayment Terms - 48 Installments

(v) Canara Bank Working Capital Term Loan Under GECL Extension
Secured by:
(a) Hypothecation of Stock, WIP and Book Debts, Fixed assets and Term Deposits of the company
(b) Equitable Mortage of residential property of Promoters/Promoters Group
(c) Personal Guarantee of Promoters/Promoters Group
(d) The assets created out of the credit facility so extended.
(e) Sanction Amount Rs. 82 Lacs
(e) Rate of Interest 7.50%
(f) Repayment Terms - 60 Installments

(vi) Canara Bank vehicle Loan
Secured by:
(a) Hypothecation of Motor Car
(b) Personal Guarantee of Promoters
(c) Sanction Amount Rs. 13 Lacs
(d) Rate of Interest 9.70%
(e) Repayment Terms - 48 Installments

(vii) Canara Bank Credit Support Scheme
Secured by:
(a) Hypothecation of Stock, WIP and Book Debts, Fixed assets and Term Deposits of the company
(b) Equitable Mortage of residential property of Promoters/Promoters Group
(c) Personal Guarantee of Promoters/Promoters Group
(d) Sanction Amount Rs. 70 Lacs
(d) Rate of Interest 7.65%
(e) Repayment Terms - 24 Installments

Name of Lender	Sanctioned Amount	Re-payment Terms	ROI	EMI Amount
Aditya Birla Finance Limited	35.00	12	16.54%	INR 5.42 for the first month, Rs. 5.13 for the Next 3 Months, 3.17 for next 4 Months, and Rs. 1.02 for the last 4 Months
Aditya Birla Finance Limited	50.00	12	15%	4.51
Kotak Mahindra Bank Ltd	40.00	13	16.50%	INR 4.29 for the first 6 months, Rs. 2.51 for the Next 6 Months, 2.15 for next 1 Months.
Kotak Mahindra Bank Ltd	200.00	9	16.50%	23.54
Tata Capital Limited	50.00	18	16.50%	3.15
Ambit Finvest Private Limited	40.00	24	17.50%	1.99
Unity Small Finance Bank Ltd	51.00	12	18.58%	INR 7.72 for first 6 Months and 1.36 for next 6 Months
Godrej Finance Limited	35.00	24	16.50%	1.72
HDFC Bank Ltd	50.00	12	18.55%	4.54
SMFG India	40.00	19	17.50%	2.54
Oxyzo Financial Services Limited	25.00	12	14.50%	4.17
IDFC First Bank	2.98	48	9.25%	0.10

ANNEXURE: V-4 RESTATED STATEMENT OF DEFERRED TAX LIABILITIES/(ASSETS)-NET

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Deferred Tax Assets	28.47	25.11	13.76	23.55
Deferred Tax Liability	-	-	-	-
Net deferred tax (asset)/liability	**28.47**	**25.11**	**13.76**	**23.55**

ANNEXURE: V-5 RESTATED STATEMENT OF LONG-TERM PROVISIONS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Provision for Gratuity-LT	40.25	40.73	58.91	48.47
Provision for Leave Encashment - LT	12.06	8.85	7.05	5.87
Total	**52.31**	**49.58**	**65.96**	**54.34**

ANNEXURE: V-6 RESTATED STATEMENT OF SHORT-TERM BORROWINGS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Secured (Payable within 12months)				
Current maturities of Term Loan				
Canara Bank Working Capital Term Loan Under GECL	-	21.04	59.39	54.99
Canara Bank Working Capital Term Loan Under GECL Extension	27.34	27.32	11.39	-
Canara Bank Vehicle Loan	3.26	3.10	2.82	-
Canara Bank Credit Support Scheme	-	-	-	15.65
Loan from National Small Industrial Corporation Ltd	493.94	493.75	326.35	496.44
Loan from Oxyzo Financial Services Private Limited	75.83	73.04	179.09	385.29
Loans repayable on demand				
Canara Bank - OCC Account	730.42	583.16	624.07	864.46
(Unsecured Loans) - (Personaly Guaranteed by Promoters):				
Current maturities of Term Loan				
Aditya Birla Finance Limited	2.99	20.86	-	-
Aditya Birla Finance Limited	50.00	-	-	-
Kotak Mahindra Bank Ltd	7.00	24.47	-	-
Kotak Mahindra Bank Ltd	178.61	-	-	-
Tata Capital Limited	26.53	33.29	-	-
Ambit Finvest Private Limited	19.36	-	-	-
Unity Small Finance Bank Ltd	2.66	22.61	-	-
Godrej Finance Limited	16.07	-	-	-
HDFC Bank Ltd	50.00	-	-	-
SMFG India	25.49	-	-	-
Oxyzo Financial Services Limited	4.21	15.85	-	-
IDFC Bank	-	-	-	2.35
Total	**1,713.71**	**1,318.49**	**1,203.11**	**1,819.18**

Note:

Refer Note V-3 for complete details of Securities and Repayment terms:

ANNEXURE: V-7 RESTATED STATEMENT OF TRADE PAYABLES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Micro, Small and Medium Enterprises	76.25	93.80	-	-
Due to Others	1,033.21	778.70	376.25	514.86
Total	**1,109.46**	**872.50**	**376.25**	**514.86**

ANNEXURE: V-8 RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Statutory Payables	11.06	13.02	25.65	26.52
Expenses Payable	102.67	6.08	-	-
Advances from Customers	-	33.20	4,265.93	-
Payables to Directors	-	-	-	-
Other Payables	43.25	48.29	46.13	24.06
Total	**156.98**	**100.59**	**4,337.71**	**50.58**

ANNEXURE: V-9 RESTATED STATEMENT OF SHORT-TERM PROVISIONS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Provision for Gratuity-ST	7.44	2.07	3.13	2.74
Provision for Leave Encashment - ST	1.64	1.13	0.84	0.78
Provision for Tax	663.41	535.98	24.06	40.14
Provision for Salaries and Reimbursements	2.43	-	0.98	25.30
Total	**674.92**	**539.18**	**29.01**	**68.96**

ANNEXURE - V - 10B RESTATED STAMENT OF NON CURRENT INVESTMENTS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Investments in Equity Instruments				
Valued (at cost)				
Beat Info Consulting Services Private Limited - Un-quoted @ cost)	-	-	12.00	12.00
Total	**-**	**-**	**12.00**	**12.00**

ANNEXURE: V-11 RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Advance for Purchase of Property	-	-	194.01	50.00
Rent Deposits	61.08	52.48	8.05	6.05
Bank Deposits with more than 12 months Maturity from reporting date	272.29	171.81	136.95	204.08
Others	1.00	-	1.75	1.74
Total	**334.37**	**224.29**	**340.76**	**261.87**

ANNEXURE: V-12 RESTATED STATEMENT OF INVENTORIES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Work-in-Process	325.63	440.99	197.89	254.12
Raw-Materials and Components	571.99	419.28	163.79	184.92
Total	**897.62**	**860.27**	**361.68**	**439.04**

ANNEXURE: V-13 RESTATED STATEMENT OF TRADE RECEIVABLES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Trade Receivables				
Unsecured considered good	2,079.91	1,236.99	1,484.95	1,025.28
Total	**2,079.91**	**1,236.99**	**1,484.95**	**1,025.28**

ANNEXURE: V-14 RESTATED STATEMENT OF CASH AND BANK BALANCES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Cash and Cash Equivalents				
Balances with banks in current / Recurring Deposit accounts	-	-	260.35	14.20
Cash on hand	2.69	2.14	2.68	0.95
Other Bank Balances				
Balances with banks to the extent held as margin money or security against the borrowings, guarantees - Deposits with less than 12 months maturity from the reporting date	711.44	728.09	624.21	517.62
Total	**714.13**	**730.23**	**887.24**	**532.77**

Fixed Deposits with banks includes deposits held as margin money

Particulars	For the period ended 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Margin Money	255.00	207.88	150.00	150.00

ANNEXURE: V-15 RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Unsecured, Considered Good (unless otherwise stated)				
Advances to Suppliers	838.99	671.92	2,695.13	131.21
Advances to Employees	29.17	26.41	43.34	-
Advances to Others	-	-	-	472.35
Inter Corporate Loans	76.38	72.03	56.00	-
Prepaid Expenses	34.67	41.13	22.70	4.76
Export Incentives Receivable	1.24	17.18	39.86	7.56
Earnest Money Deposit	-	-	57.37	-
Others	48.80	0.87	5.24	-
Total	**1,029.25**	**829.54**	**2,919.64**	**615.88**

ANNEXURE: V-16 RESTATED STATEMENT OF OTHER CURRENT ASSETS

Particulars	As At 30th September 2024	As At 31st March 2024	As At 31st March 2023	As At 31st March 2022
Balances with Government Departments	81.34	102.12	177.82	107.10
Retention Deposits with Customers	1,115.68	970.90	370.42	119.85
Total	**1,197.02**	**1,073.02**	**548.24**	**226.95**

ANNEXURE: V-10A RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

As at 30th September 2024 (Rs. in Lakhs)

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As on 01-04-2024	**Additions during the year**	**Deletions**	**As on 30-09-2024**	**As on 01-04-2024**	**Depreciation for the year**	**Depreciation for earlier year**	**Deletion during the period**	**As on 30-09-2024**	**As on 30-09-2024**	**As on 31-03-2024**
(i) Property, Plant and Equipment											
Office Building	1.71	-	-	1.71	1.14	0.18	-	-	1.32	0.39	0.57
Plant and Equipment	66.64	-	-	66.64	58.57	0.73	-	-	59.30	7.34	8.07
Furniture and Fixtures	66.82	-	-	66.82	58.10	0.83	-	-	58.93	7.89	8.72
Vehicles	137.33	-	-	137.33	57.56	12.23	-	-	69.79	67.54	79.77
Office equipment	21.29	0.08	-	21.37	13.97	1.59	-	-	15.56	5.81	7.32
Computers	54.71	7.00	-	61.71	46.47	3.14	-	-	49.61	12.10	8.24
Total	348.50	7.08	-	355.58	235.81	18.70	-	-	254.52	101.07	112.70
Previous Year	*266.19*	*104.61*	*22.30*	*348.50*	*207.14*	*49.86*	-	*21.18*	*235.81*	*112.70*	*59.06*
(ii) Intangible Assets											
Computer software	45.75	-	-	45.75	27.17	3.42	-	-	30.59	15.16	18.58
Total	45.75	-	-	45.75	27.17	3.42	-	-	30.59	15.16	18.58
Previous Year	*36.36*	*9.39*	-	*45.75*	*18.31*	*8.86*	-	-	*27.17*	*18.58*	*18.05*

As at 31st March 2024 (Rs. in Lakhs)

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As on 01-04-2023	Additions during the year	Deletions	As on 31-03-2024	As on 01-04-2023	Depreciation for the year	Depreciation for earlier year	Deletion during the period	As on 31-03-2024	As on 31-03-2024	As on 31-03-2023
(i) Property, Plant and Equipment											
Office Building	1.71	-	-	1.71	0.17	0.98	-	-	1.14	0.57	1.54
Plant and Equipment	66.64	-	-	66.64	56.79	1.78	-	-	58.57	8.07	9.85
Furniture and Fixtures	66.34	0.48	-	66.82	55.93	2.17	-	-	58.10	8.72	10.41
Vehicles	64.69	94.94	22.30	137.33	45.53	33.21	-	21.18	57.56	79.77	19.16
Office equipment	18.11	3.18	-	21.29	9.37	4.59	-	-	13.97	7.32	8.74
Computers	48.70	6.01	-	54.71	39.35	7.13	-	-	46.47	8.24	9.35
Total	266.19	104.61	22.30	348.50	207.14	49.86	-	21.18	235.81	112.70	59.06
Previous Year	*224.81*	*41.38*	-	*266.19*	*191.04*	*16.10*	-	-	*207.14*	*59.06*	*33.78*
(ii) Intangible Assets											
Computer software	36.36	9.39	-	45.75	18.31	8.86	-	-	27.17	18.58	18.05
Total	36.36	9.39	-	45.75	18.31	8.86	-	-	27.17	18.58	18.05
Previous Year	*17.78*	*18.58*	-	*36.36*	*14.96*	*3.35*	-	-	*18.31*	*18.05*	*2.82*

As at 31st March 2023 (Rs. in Lakhs)

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As on 01-04-2022	Additions during the year	Deletions	As on 31-03-2023	As on 01-04-2022	Depreciation for the year	Depreciation for earlier year	Deletion during the period	As on 31-03-2023	As on 31-03-2023	As on 31-03-2022
(i) Property, Plant and Equipment											
Office Building	-	1.71	-	1.71	-	0.17	-	-	0.17	1.54	-
Plant and Equipment	64.05	2.60	-	66.64	54.78	2.01	-	-	56.79	9.85	9.27
Furniture and Fixtures	65.25	1.09	-	66.34	52.61	3.32	-	-	55.93	10.41	12.64
Vehicles	46.77	17.92	-	64.69	44.43	1.10	-	-	45.53	19.16	2.34
Office equipment	7.46	10.65	-	18.11	6.02	3.35	-	-	9.37	8.74	1.44
Computers	41.28	7.42	-	48.70	33.20	6.15	-	-	39.35	9.35	8.08
				-							
Total	224.81	41.38	-	266.19	191.04	16.10	-	-	207.14	59.06	33.78
Previous Year	*211.14*	*13.67*	-	*224.81*	*180.66*	*10.38*	-	-	*191.04*	*33.78*	*30.48*
(ii) Intangible Assets											
Computer software	17.78	18.58	-	36.36	14.96	3.35	-	-	18.31	18.05	2.82
Total	17.78	18.58	-	36.36	14.96	3.35	-	-	18.31	18.05	2.82
Previous Year	*14.74*	*3.04*	-	*17.78*	*14.14*	*0.82*	-	-	*14.96*	*2.82*	*0.60*

As at 31st March 2022 (Rs. in Lakhs)

Particulars	Gross Block				Depreciation and Amortization					Net Block	
	As on 01-04-2021	**Additions during the year**	**Deletions**	**As on 31-03-2022**	**As on 01-04-2021**	**Depreciation for the year**	**Depreciation for earlier year**	**Deletion during the period**	**As on 31-03-2022**	**As on 31-03-2022**	**As on 31-03-2021**
(i) Property, Plant and Equipment											
Office Building	-	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	64.05	-	-	64.05	52.73	2.05	-	-	54.78	9.27	11.32
Furniture and Fixtures	60.55	4.70	-	65.25	49.39	3.22	-	-	52.61	12.64	11.16
Vehicles	46.77	-	-	46.77	44.43	-	-	-	44.43	2.34	2.34
Office equipment	6.54	0.92	-	7.46	5.51	0.51	-	-	6.02	1.44	1.03
Computers	33.23	8.05	-	41.28	28.60	4.60	-	-	33.20	8.08	4.63
				-							
Total	211.14	13.67	-	224.81	180.66	10.38	-	-	191.04	33.78	30.48
Previous Year	*209.12*	*2.02*	-	*211.14*	*170.07*	*10.58*	-	-	*180.66*	*30.48*	*39.04*
(ii) Intangible Assets											
Computer software	14.74	3.04	-	17.78	14.14	0.82	-	-	14.96	2.82	0.60
Total	14.74	3.04	-	17.78	14.14	0.82	-	-	14.96	2.82	0.60
Previous Year	*14.74*	-	-	*14.74*	*13.78*	*0.36*	-	-	*14.14*	*0.60*	*0.95*

(iii) Capital Work-in-progress

Particulars	As at 30th September 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Opening Balance	-	-	-	-
Add: Addition during the year	-	-	-	-
Less: Capitalised/Charged off during the year	-	-	-	-
Closing Balance	**-**	**-**	**-**	**-**

As at 30th September 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

As at 31st March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

As at 31st March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

As at 31st March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:

(Note: All the Amounts in the Restated financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.)

ANNEXURE: V-17 RESTATED STATEMENT OF REVENUE FROM OPERATIONS

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Revenue from Operations				
Contract Revenue	2,836.66	15,010.10	10,139.31	4,123.45
Sale of Products	154.39	107.95	168.45	0.03
Sale of Services	140.17	667.37	110.10	35.66
Total	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

Note 1 to Annexure V-17: Revenue bifurcation based on Domestic and Export Sales

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Domestic Turnover	1,649.02	1,745.24	1,692.61	1,727.62
Export Turnover	1,482.20	14,040.18	8,725.25	2,431.52
Total	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

Note 2 to Annexure V-17: Revenue bifurcation based on Sectors

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Government/Public Sector Undertakings	-	243.93	625.07	1,481.67
Private Sector	3,131.22	15,541.49	9,792.79	2,677.47
Total	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

ANNEXURE: V-18 RESTATED STATEMENT OF OTHER INCOME

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Export Incentives	0.17	81.33	69.62	6.97
Foreign Exchange Fluctuation	25.63	365.44	-	1.07
Other Income	16.52	5.15	5.62	23.60
Interest Income	35.17	50.35	44.78	38.12
Total	**77.49**	**502.27**	**120.02**	**69.76**

ANNEXURE: V-19 RESTATED STATEMENT OF COST OF MATERIALS CONSUMED

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock	419.28	163.79	184.92	262.90
Add : Purchases	1,669.96	12,179.39	7,967.45	1,924.08
Carriage inwards	-	-	-	-
Less : Closing Stock	(571.99)	(419.28)	(163.79)	(184.92)
Total	**1,517.25**	**11,923.90**	**7,988.58**	**2,002.06**

ANNEXURE: V-20 RESTATED STATEMENT OF CONTRACT EXECUTION EXPENSES

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Contract Labour and Site Expenses including erection and commissioning	242.55	984.75	729.27	690.30
Project Consultancy/Professional Charges	110.77	24.00	-	-
Customs Clearing Charges	-	-	3.77	-
Freight Charges	3.13	90.71	53.58	41.11
W C Policy Insurance	-	-	1.72	0.73
Packing Charges	3.89	4.00	1.39	1.74
Equipment Hiring Charges	1.47	7.43	14.32	9.94
Consumables	1.33	2.61	3.82	6.22
Other Project Expense	2.78	2.22	11.16	7.06
Total	**365.92**	**1,115.72**	**819.03**	**757.10**

ANNEXURE: V-21 RESTATED STATEMENT OF CHANGES IN WORK IN PROGRESS

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Opening Stock :				
Work-in-Progress	440.99	197.88	254.12	751.42
Closing Stock :				
Work-in-Progress	325.63	440.99	197.88	254.12
Total (Increases)/decreases.	**115.36**	**(243.11)**	**56.24**	**497.30**

ANNEXURE: V-22 RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and wages	262.79	383.42	301.92	151.32
Remuneration to Directors	34.61	50.91	48.66	59.13
Employers Contribution To PF & ESI	9.15	17.33	16.10	12.51
Gratuity	15.16	(19.24)	10.82	18.35
Leave Encashment	4.11	5.96	3.36	3.30
Staff Welfare Expenses	12.28	20.60	22.77	8.09
Total	**338.10**	**458.98**	**403.63**	**252.70**

ANNEXURE: V-23 RESTATED STATEMENT OF FINANCE COSTS

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Interest on Bank loan	8.28	32.62	25.43	18.21
Interest on Bank Overdraft	45.34	84.21	53.81	82.59
Interest on loan from Others	49.06	62.69	59.68	107.47
Total	**102.68**	**179.52**	**138.92**	**208.27**

ANNEXURE: V-24 RESTATED STATEMENT OF DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Depreciation and amortisation expense	22.12	58.72	19.45	11.20
Total	**22.12**	**58.72**	**19.45**	**11.20**

ANNEXURE: V-25 RESTATED STATEMENT OF OTHER EXPENSES

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Audit Fees	3.00	9.00	4.50	4.50
Bank Charges	43.35	79.34	85.09	44.18
Communication Cost	1.18	2.65	1.93	1.09
Courier Charges	1.87	4.83	0.44	0.99
Delay Payment Charges	-	0.96	2.34	0.80
Foreign Exchange Fluctuation	-	-	68.94	-
Insurance charges	9.04	11.31	16.55	17.82
Miscellaneous Expenses	0.20	0.03	4.87	1.50
Donations	0.75	5.81	0.95	0.15
Printing & Stationery	1.94	3.57	3.88	3.44
Professional & Consultancy Charges	31.69	109.78	95.78	88.54
Director's Sitting Fees	3.00	-	-	-
Power and Water	3.46	5.60	6.25	3.44
Rates and Taxes	10.10	64.95	12.32	9.29
Rent	37.35	53.04	47.82	41.99
Repairs & Maintenance	15.78	32.43	27.13	7.80
Loss on Sale of Fixed Assets	-	0.81	-	-

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Continued				
Travelling Expenses	19.54	63.69	77.18	30.44
Selling & Distribution Expense:				
Balances written off	-	45.87	2.08	139.74
Marketing Expenses	-	1.19	-	7.53
Commission & Consultancy	-	-	591.82	-
Total	**182.25**	**494.86**	**1,049.87**	**403.24**

ANNEXURE: V-26 RESTATED STATEMENT OF PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
(i) Provisions				
a) Provision - Gratuity	47.69	42.80	62.04	51.22
b) Provision - Leave Encashment	13.71	9.98	7.89	4.26
(ii) Contingent Liabilities shall be classified as-				
a) Claims against the company not acknowledged as debts	1,042.70	1,042.70	1,042.70	1,042.70
b) Guarantees (Bank Guarantees)	234.80	755.02	-	-
c) Other money for which the company is contingently liable(TDS Demand)	-	-	-	-
(iii) Commitments shall be classified as-				
a) Estimated amount of contracts remaining to be executed on capital account and not provided for; (Capital WIP)	-	-	-	-
b) Uncalled liability on shares and other investments partly paid	-	-	-	-
c) Other commitments (specify nature).	-	-	-	-
Total	**1,338.90**	**1,850.50**	**1,112.63**	**1,098.18**

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:

(Note: All the Amounts in the Restated financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.)

ANNEXURE: V-27 VALUE OF IMPORTS CALCULATED ON C.I.F BASIS:

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Raw materials/ Consumables & capital goods	474.44	8,024.14	3,566.47	64.47
Total	**474.44**	**8,024.14**	**3,566.47**	**64.47**

ANNEXURE: V-28 EARNING IN FOREIGN CURRENCY THROUGH EXPORTS

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Exports	1,482.20	14,040.18	8,725.25	2,431.52
Total	**1,482.20**	**14,040.18**	**8,725.25**	**2,431.52**

ANNEXURE: V-29 STATEMENT OF TAX SHELTER

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Restated profit before tax as per books (A)	**565.03**	**2,237.10**	**62.16**	**97.03**
Adjustments :				
Depreciation:				
As per Companies Act	22.12	58.72	19.45	11.20
As per Income Tax Act	17.39	40.06	21.03	12.84
Gratuity and Leave Encashment Provision Disallowed	19.27	(17.13)	14.18	18.35
Gratuity / Leave Encashment Paid	9.75	-	3.30	2.96
Restated expenses	-	-	-	27.78
Preliminary expense Disallowed under section 35D	-	-	-	-
Preliminary expense written off Allowable under section 35D	-	-	-	-
40 Disallowance	-	57.08	19.40	7.17
Disallowance for EPF delay (Employee)	-	4.80	3.38	13.75
Disallowance under section 37, 40A TDS not deducted / 43B	(51.09)	(1.35)	1.35	
Total Timing Differences: (B)	**(36.84)**	**62.06**	**33.43**	**62.45**
Less: Incomes considered separately (C)	35.17	50.35	44.78	38.12
Total: (D)= (A) + (B) -(C)	**493.02**	**2,248.81**	**50.81**	**121.36**
Income from Other Sources: (E)				
Interet Income	35.17	50.35	44.78	38.12
Total Income (F) = (D) + (E)	**528.19**	**2,299.16**	**95.59**	**159.48**
Unabsorbed Loss/(Carried Forward Loss Set off) (G)	-	-	-	-
Taxable Income/(Loss) (H)=(F)-(G)	**528.19**	**2,299.16**	**95.59**	**159.48**

Tax Rates				
Income Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
Minimum Alternative Tax Rate (%)				
Income Tax as per Normal Rates (Excluding Interest)	132.93	578.65	24.06	40.14
MAT on Book Profit				
Interest U/s 234C	-	30.53	-	-
Total Tax as per Normal	132.93	609.18	24.06	40.14

Notes:

1) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II ,III and IV.

2) The Company has opted for taxation under new regime. Hence information in respect of Minimum Alternate Taxes not furnished.

ANNEXURE: V-30 DETAILS OF EXCEPTIONAL ITEMS DEBITED TO PROFIT AND LOSS ACCOUNT

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Write off of value of investment in unlisted equities	-	12.00	-	-
Write off of amount advances towards procurement of capital assets	-	50.00	-	-
Total	**-**	**62.00**	**-**	**-**

ANNEXURE: V-31 NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Arrears of depreciation pertaining to earliers years	-	14.17	-	-
Export incentives receivable written off	-	27.78	-	-
Total	**-**	**41.95**	**-**	**-**

ANNEXURE: V-32 EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Professional & Consultation	7.19	300.86	-	-
Engineering & Commissioning	142.44	431.37	-	380.27
Bank Guarantee Commission	-	7.15	26.90	-
Commission & Consultancy	-	-	591.82	-
Travelling Expenses	1.79	38.98	-	-
Total	**151.42**	**778.36**	**618.72**	**380.27**

ANNEXURE: V-33 DETAILS OF IMPORT/INDIGENOUS COMPONENTS OF COST OF MATERIALS CONSUMED:

a. Cost of Material Consumed

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Raw Materials/Components	1,517.25	11,923.90	7,988.58	2,002.06

b. Value of Imported and Indigenous raw material consumed (Value of Consumption)

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Imported Value	474.44	8,024.14	3,566.47	64.47
Indigenous Value	1,042.81	3,899.76	4,422.11	1,937.59
Total	**1,517.25**	**11,923.90**	**7,988.58**	**2,002.06**

c. Value of Imported and Indigenous raw material consumed (Percentage of Consumption)

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Imported Value	31.27	67.29	44.64	3.22
Indigenous Value	68.73	32.71	55.36	96.78
Total	**100.00**	**100.00**	**100.00**	**100.00**

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:
(Note: All the Amounts in the Restated financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.)

ANNEXURE: V-34 STATEMENT OF RELATED PARTY TRANSACTIONS

List of Related Parties

Names of the related parties with whom transactions were carried out during the years and description of relationship

Particulars	Relationship
Prabhav N Rao	Managing Director
Sapna Raghavendra	Whole-time director & CFO
Priyashaila P Rao	Whole-time director
Laxman K	Director
K Giridhar	Non Executive Director and Chairman of the Board of the Company
Krishnamurthy S P	Non Executive Independent Director
Vijay Kumar Sajjan	Non Executive Independent Director
Harshavardhan Reddy	Company Secretary
Bigleap Ventures & Consultancy Services	Associate Enterprise
Leapfrog Automation and Control Systems	Associate Enterprise
Green Fire Safety and Controls Private Limited	Associate Enterprise
Achates Hospitality Services Private Limited	Associate Enterprise
Orbis Technosphere Private Limited	Associate Enterprise
Leapfrog Technical Services LLC	Associate Enterprise
Kraum & Spruk Technologies FZCO,	Associate Enterprise
Jurispro Corporate Advisors	Associate Enterprise
S P Krishnamurthy & Co.,	Associate Enterprise

Transactions with Related Parties **(Rs in Lakhs)**

Particulars		For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
a. Director's Remuneration					
Prabhav N Rao		16.50	-	-	28.65
Sapna Raghavendra		10.61	18.08	16.75	7.33
Priyashaila P Rao		7.50	14.03	15.69	10.96
Laxman K		-	18.80	16.22	12.19
b. Sitting Fees to Directors					
K Giridhar		1.00	-	-	-
Krishnamurthy S P		1.00	-	-	-
Vijay Kumar Sajjan		1.00	-	-	-
c. Remuneration to Company Secretary					
Harshavardan Reddy		3.14	-	-	-
Travel/Salary Advances					
Prabhav N Rao		8.05	-	-	-
Laxman K		-	6.00	-	-
Professional Fees to Directors					
Prabhav N Rao		-	55.76	37.43	-
K Giridhar		0.33	-	-	-
Associate Enterprises	**Transaction**				
Bigleap Ventures & Consultancy Services	Contract Revenue	-	-	131.74	-
Bigleap Ventures & Consultancy Services	Services	39.91	97.50	-	-
Bigleap Ventures & Consultancy Services	Advances for supply	80.34	131.34	-	-
Bigleap Ventures & Consultancy Services	Rent	27.55	44.72	33.00	38.84
Bigleap Ventures & Consultancy Services	Rent Deposit	-	50.00	-	-
Leapfrog Automation and Control Systems	Purchase	80.19	371.52	213.08	-
Leapfrog Automation and Control Systems	Services	-	75.25	-	-
Leapfrog Automation and Control Systems	Contract Revenue	-	-	32.03	-
Leapfrog Automation and Control Systems	Advances for supply	187.59	177.78	-	-
Leapfrog Automation and Control Systems	Rent	4.50	-	-	-
Green Fire Safety and controls Private Limited	Balance Written Off	-	40.35	-	-
Achates Hospitality Services Private Limited	Balance Written Off	-	12.03	-	-
Orbis Technosphere Private Limited	Balance Written Off	-	2.51	-	-
Loan from Directors	NA				
Loan Repaid to Directors	NA				
Loan from Directors (Net)	NA				

Balances with Related Parties **(Rs in Lakhs)**

Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
Payables				
Leapfrog Automation and Control Systems	-	-	-	-
Bigleap Ventures & Consultancy Services	-	13.02	-	-
Receivables				
Leapfrog Automation and Control Systems	359.61	266.58	159.49	-
Bigleap Ventures & Consultancy Services	119.76	296.39	150.86	74.15
Green Fire Safety and Controls Private Limited	-	-	40.35	40.35
Prabhav N Rao	8.05	-	233.72	316.67
Laxman K	-	6.67	-	-

ANNEXURE V- NOTES TO THE RESTATED FINANCIAL INFORMATION:

(Note: All the Amounts in the Restated financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.)

ANNEXURE: V-35 Additional Information to The financial statements:-

1) The details relating to Micro, Small and medium enterprise disclosed as under: **(Rs in Lakhs)**

Sl. No.	Particulars	For the Period from 01st April 2024 to 30th September 2024	For the year ended 31st March 2024	For the year ended 31st March 2023	For the year ended 31st March 2022
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	76.25	93.80	-	-
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which h has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.12	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

2) Trade Payable Ageing summary **(Rs in Lakhs)**

S.N	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
	As at 30th September 2024					
(i)	MSME	69.82	4.80	1.63	-	76.25
(ii)	Others	832.28	196.04	-	4.89	1,033.21
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-
		902.10	**200.84**	**1.63**	**4.89**	**1,109.46**
	As at 31st March 2024					
(i)	MSME	91.40	1.70	0.70	-	93.80
(ii)	Others	387.09	168.48	0.84	4.05	560.46
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	218.24	218.24
		478.49	**170.18**	**1.54**	**222.29**	**872.50**
	As at 31st March 2023					
(i)	MSME	-	-	-	-	-
(ii)	Others	126.30	3.35	5.54	22.82	158.01
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	218.24	-	218.24
		126.30	**3.35**	**223.78**	**22.82**	**376.25**
	As at 31st March 2022					
(i)	MSME	-	-	-	-	-
(ii)	Others	229.63	250.73	34.50	-	514.86
(iii)	Disputed dues- MSME	-	-	-	-	-
(iv)	Disputed dues- Others	-	-	-	-	-
		229.63	**250.73**	**34.50**	**-**	**514.86**

3) Trade Receivable Ageing summary **(Rs in Lakhs)**

S.N	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
	As at 30th September 2024						
(i)	Undisputed Trade receivables- considered good	1,420.38	31.42	579.28	30.70	18.13	2,079.91
(ii)	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
		1,420.38	**31.42**	**579.28**	**30.70**	**18.13**	**2,079.91**
	As at 31st March 2024						
(i)	Undisputed Trade receivables- considered good	442.47	149.88	617.93	1.36	25.35	1,236.99
(ii)	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
		442.47	**149.88**	**617.93**	**1.36**	**25.35**	**1,236.99**
	As at 31st March 2023						
(i)	Undisputed Trade receivables- considered good	846.06	114.94	438.54	66.60	18.81	1,484.95
(ii)	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
		846.06	**114.94**	**438.54**	**66.60**	**18.81**	**1,484.95**
	As at 31st March 2022						
(i)	Undisputed Trade receivables- considered good	920.60	5.69	55.76	-	43.23	1,025.28
(ii)	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
		920.60	**5.69**	**55.76**	**-**	**43.23**	**1,025.28**

ANNEXURE: V-36

1) Statement of Accounting and other Ratios, as per SEBI ICDR

(Rs in Lakhs except per share data)

Particulars	30th September 2024	31st March 2024	31st March 2023	31 March 2022
Total Revenue from Operations (A)	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**
Net Profit After tax as Restated (B)	435.45	1,639.27	28.30	62.29
Add: Depreciation	22.12	58.72	19.45	11.20
Add: Interest expenses	102.68	179.52	138.92	208.27
Add: Tax Expenses	129.58	597.83	33.85	34.74
Less: Other Income	77.49	502.27	120.02	69.76
EBITDA - Operating Profit (C)	**612.34**	**1,973.07**	**100.51**	**246.74**
EBITDA Margin (in %) (C/A)	**19.56%**	**12.50%**	**0.96%**	**5.93%**
Net Worth as Restated (D)	**2,606.48**	**2,171.03**	**531.76**	**503.46**
Return on Net worth (in %) as Restated (B/D)	**16.71%**	**75.51%**	**5.32%**	**12.37%**
Equity Share at the end of period (in Nos.) (E)	10,08,00,000	4,80,000	4,80,000	4,80,000
Weighted No. of Equity Shares (G)	10,08,00,000	4,80,000	4,80,000	4,80,000
Equity Share at the end of Period (in Nos.) (F) - (Post Bonus & Split with retrospective effect)	10,08,00,000	10,08,00,000	10,08,00,000	10,08,00,000
Basic & Diluted Earnings per Equity Share (B/G) - (As per end of Restated period)	0.43	341.51	5.90	12.98
Basic & Diluted Earnings per Equity Share (B/F) - (Post Bonus & Split with retrospective effect)	0.43	1.63	0.03	0.06
Net Asset Value per Equity share (D/E) - (As per end of Restated period)	2.59	452.30	110.78	104.89
Net Asset Value per Equity share (D/F) - (Post Bonus & Split with retrospective effect)	2.59	2.15	0.53	0.50

Notes:

1) The ratios have been computed as below:

EBITDA Margin = EBITDA/Total Revenues from Operations.

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year.

Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus)

Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of Financial year.

The Company does not have any revaluation reserves or extra-ordinary items.

The figures disclosed above are based on the Restated Financial Statements of the Company.

ANNEXURE: V-37

2) Statement of Other Accounting Ratios, as per Companies Act, 2013.

Particulars	Numerator	Denominator	30th September 2024	31st March 2024
Current Ratio	Current assets	Current liabilities	1.62	1.67
Debt-Equity Ratio	Total debt	Shareholder's equity	0.69	0.63
Debt Service Coverage Ratio	EBITDA	Debt service	2.41	6.19
Return on Equity Ratio	Net profits after taxes	Average Shareholder's equity	16.71%	75.51%
Trade Receivables turnover ratio (in times)	Revenue	Average trade receivable	1.89	11.60
Trade Payables turnover ratio (in times)	Revenue	Average trade payables	3.16	25.28
Net capital turnover ratio (in times)	Revenue	Working capital	1.38	8.31
Net profit ratio	Net profit	Revenue	13.91%	10.38%
Inventory Turnover Ratio	Revenue	Average Inventory	3.56	25.84
Return on Capital employed	Earning before interest and taxes	Capital employed	15.16%	68.10%
Return on Investment	Interest Income	Investments	3.58%	5.60%
Particulars	**Numerator**	**Denominator**	**31st March 2024**	**31st March 2023**
Current Ratio	Current assets	Current liabilities	1.67	1.04
Debt-Equity Ratio	Total debt	Shareholder's equity	0.63	2.45
Debt Service Coverage Ratio	EBITDA	Debt service	6.19	0.47
Return on Equity Ratio	Net profits after taxes	Average Shareholder's equity	75.51%	5.32%
Trade Receivables turnover ratio (in times)	Revenue	Average trade receivable	11.60	8.30
Trade Payables turnover ratio (in times)	Revenue	Average trade payables	25.28	23.38
Net capital turnover ratio (in times)	Revenue	Working capital	8.31	40.75
Net profit ratio	Net profit	Revenue	10.38%	0.27%
Inventory Turnover Ratio	Revenue	Average Inventory	25.84	26.02
Return on Capital employed	Earning before interest and taxes	Capital employed	68.10%	10.95%
Return on Investment	Interest Income	Investments	5.60%	5.88%

Particulars	Numerator	Denominator	31st March 2023	31st March 2022
Current Ratio	Current assets	Current liabilities	1.04	1.16
Debt-Equity Ratio	Total debt	Shareholder's equity	2.45	3.94
Debt Service Coverage Ratio	EBITDA	Debt service	0.47	0.74
Return on Equity Ratio	Net profits after taxes	Average Shareholder's equity	5.32%	12.37%
Trade Receivables turnover ratio (in times)	Revenue	Average trade receivable	8.30	4.15
Trade Payables turnover ratio (in times)	Revenue	Average trade payables	23.38	5.62
Net capital turnover ratio (in times)	Revenue	Working capital	40.75	10.77
Net profit ratio	Net profit	Revenue	0.27%	1.50%
Inventory Turnover Ratio	Revenue	Average Inventory	26.02	5.72
Return on Capital employed	Earning before interest and taxes	Capital employed	10.95%	12.28%
Return on Investment	Interet Income	Investments	5.88%	5.28%

ANNEXURE: V-38 CAPITALISATION STATEMENT **(Rs in Lakhs)**

Particulars	Pre Issue as on 30/09/2024	Post Issue As adjusted with Proposed Issue
Borrowings		
Short term debt (A)	1,713.71	*
Long Term Debt (B)	83.14	*
Total debts (C)	**1,796.85**	*
Shareholders' funds		
Equity share capital	1,008.00	*
Reserve and surplus - as restated	1,598.48	*
Total shareholders' funds	**2,606.48**	*
Long term debt / shareholders' funds (in Rs.)	0.03	*
Total debt / shareholders' funds (in Rs.)	0.69	*

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited/Restated Financial Statements and other documents of the issuer Company **Leapfrog Engineering Services Limited (Formerly known as Leapfrog Engineering Services Private Limited),** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at **30th September 2024** are as mentioned below:

(Rs. In Lakhs)

Nature of Borrowing	**Outstanding as on September 30, 2024**	**Outstanding as on March 31, 2024**
A. Secured Loan		
- Fund Based	1,365.58	1,251.56
- Non-Fund Based	904.90	1,681.08
B. Unsecured Loan	431.27	126.29
Total	**2,701.75**	**3,058.93**

A. Secured Loans

(Rs. In Lakhs)

Name of Lender	**Date of Sanction**	**Type of Facility**	**Purpose**	**Validity/ Repayment Terms**	**Rate of Interest**	**Sanctioned Amount**	**Outstanding as on 30/09/2024**	**Outstanding as on 31/03/2024**
Canara Bank	23-08-2023	Open Cash Credit (OCC/ODBD)	Working Capital Requirement	12 months	RLLR + 2.15% p.a.	800.00	730.42	583.16
Canara Bank	05-07-2020	Working Capital Term Loan - I	Working Capital Requirement	48 months including moratorium	RLLR + 0.60% p.a.	169.50	-	21.04
Canara Bank	02-07-2021	Working Capital Term Loan - II	Working Capital Requirement	60 months including moratorium	RLLR + 0.60% p.a.	82.00	56.95	70.62
Canara Bank	09-02-2023	Canara Vehicle loan	Vehicle loan four-wheeler	48 months	RLLR + 0.30% p.a.	13.00	8.44	9.95
The National Small Industries Corporation Limited	23-06-2020	Raw Material Assistance Scheme	Working Capital Requirement	NA	9.50% p.a.	500.00	493.94	493.75
Oxyzo Financial Services Limited	18-10-2023	Purchase Financing	Working Capital Requirement	12 months	14.50% p.a.	75.00	75.83*	73.04
TOTAL FUND BASED LIMIT						**1,639.50**	**1,365.58**	**1,251.56**

**Including interest amount due for payment*

Non-Fund Based:

(Rs. In Lakhs)

Name of Lender	**Date of Sanction**	**Type of Facility**	**Purpose**	**Validity/ Repayment Terms**	**Margin**	**Sanctioned Amount**	**Outstanding as on 30/09/2024**	**Outstanding as on 31/03/2024**
Canara Bank	23-08-2023 & 10-11-2023	Bank Guarantee (BG)	Performance / EMD / Security etc	12 months	15.00%	1,600.00 + 400.00	772.80	1,423.85
		Inland Letter of Credit (ILC)	For the procurement of raw materials	12 months	15.00%	300.00	132.10	257.23
TOTAL NON-FUND BASED LIMIT						**2,300.00**	**904.90**	**1,681.08**

NOTE ON DETAILS OF TERMS OF SECURED LOAN:

1. PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM CANARA BANK:

Facility : Open Cash Credit (OCC/ODBD) limit of Rs. 800.00 Lakhs
: Bank Guarantee (Inland/Foreign) limit of Rs. 1600.00 Lakhs Plus 400.00 Lakhs for single transaction
: Inland Letter of Credit (ILC) limit of Rs. 300.00 Lakhs

Date of Renewal : 23/08/2023

Purpose : Open Cash Credit – Working capital requirements
: Bank Guarantee – Performance guarantee/ EMD/ Security/ Advance payment guarantee/ Retention money favouring Govt./ Semi Govt Depts etc.
: Inland Letter of Credit (ILC) – For the procurement of raw materials

Rate of Interest : RLLR (Retail Lending Rate Linked) + 2.15% p.a. for Cash Credit (Current RLLR rate is 9.25% p.a.)

Margin : 15% for BG & LC by way of Cash/Deposits

Repayment Terms : Validity of Sanction is for 12 months, repayable on demand

Primary Security : Exclusive charge on hypothecation on Stock, Work-in-progress & Book Debts.
: Deposit of ₹210.00 Lakhs being 15% margin for BG & LC

Collateral Security : As mentioned below

Description	Value	Source and Date	Nature of charge
Continuing EMT of residential flat, bearing No. C-1, 1205, 12th floor, Sy. No:91, 92(Part), 94, 95, 90/1 & 96/1, Kothanuru Village, Littharahalli Hobli, L & T South City, Arakere Mico Layout, Bannerghatta Road, Bangalore-560076, measuring 1710 Sq. Ft., standing in the name of Mr. Prabhav N Rao	₹1.60 Cr.	As per VR dated 20.07.2020	Exclusive Charge
Continuing EMT of residential flat bearing A2103, 21st Floor, Wing - A of the project "Mantri Serenity", constructed over the land bearing BBMP Khata No. 1598 & 1599/59 & 60 in lands bearing Survey Nos. 57(P), 58(P), 56(P), 59(P) and 60(P), all situated at Doddakallasandra Village, Uttarahalli Hobli, Off Kanakapura Road, Bangalore South, Taluk, by Mr. Prabhav N Rao and Mrs. Priyashaila as per LSR dated 04/06/2013	₹3.18 Cr	As per VR dated 13.05.2022	
Continuing EMT of flat situated at Sy. No. 90/1, 91 to 95 & 96/1, No. 805,, Block C1, in 8th Floor of L & T South City situated at Kothunur Village, Uttarahalli Hobli, Bangalore South Taluk with plinth area of 1,710 sq.ft, owned by Mr. Prashanth N Rao, Mr. Pranav Narasimha Rao and Mrs. Poornima Prashanth Rao as per LSR dated 16/03/2015. Extent undivided interest in land is 51.63 sq. mtrs in total land area of 1,37,5966.45 sq. mtrs.	₹1.61 Cr.	As per VR dated 13.05.2022	
Term Deposits except BG/LC Margin	₹5.71 Cr.		Exclusive Charge
Hypothecation of Plant & Equipments, Furniture & Fixtures, Vehicles, Office Equipments, Computer & Printer	₹0.40 Cr.	As per ABS 2022	Exclusive Charge
RD of ₹2.00 Lakhs per month for one year (On maturity after one year, the total RD amount with interest has to be made fixed deposit)	₹0.49 Cr.		Exclusive Charge
Total Value of Collateral Security	**₹12.99 Cr.**		

Personal Guarantee of : Mr. Prabhav Rao
: Mrs. Priyashaila Prabhav Rao
: Mr. Pranav Narasimha Rao
: Mrs. Poornima Prashant Rao
: Mr. Upanishad Rao
: Mrs. Shloka Rao

Corporate Guarantee : NIL

Note: The details furnished above are based on the terms of sanction dated 23-08-2023. The said limits were renewed by the bank vide its sanction dated 30-08-2024 which is effective from 07-12-2024.

2. PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM CANARA BANK:

Facility : Working Capital Term Loan – I under Guaranteed Emergency Credit Line (GECL)

Sanctioned Amount : ₹169.50 Lakhs

Date of Renewal **:** 05/07/2020

Purpose **:** To Build up current assets and to meet operational liabilities and restart the business

Repayment Terms **:** To be repaid in 48 months including moratorium period of 12 months.

Rate of Interest **:** RLLR (Retail Lending Rate Linked) + 0.60% p.a.
(Current RLLR rate is 6.90% p.a.)

Personal Guarantee of : Prabhav N Rao
Priyashaila P Rao
Prashanth N Rao
Pranav Narasimha Rao
Poornima Prashanth Rao

Primary Security : Hypothecation of Stock and Book Debt

Collateral Security : As mentioned below

Description	Value	Source and Date	Nature of charge
Continuing EMT of residential flat, bearing No. C-1, 1205, 12th floor, Sy. No:91, 92(Part), 94, 95, 90/1 & 96/1, Kothanuru Village, Littharahalli Hobli, L & T South City, Arakere Mico Layout, Bannerghatta Road, Bangalore-560076, measuring 1710 Sq. Ft., standing in the name of Mr. Prabhav N Rao	₹1.35 Cr.		Exclusive Charge
Continuing EMT of residential flat bearing A2103, 21st Floor, Wing - A of the project "Mantri Serenity", constructed over the land bearing BBMP Khata No. 1598 & 1599/59 & 60 in lands bearing Survey Nos. 57(P), 58(P), 56(P), 59(P) and 60(P), all situated at Doddakallasandra Village, Uttarahalli Hobli, Off Kanakapura Road, Bangalore South, Taluk, by Mr. Prabhav N Rao and Mrs. Priyashaila as per LSR dated 04/06/2013	₹1.41 Cr		Exclusive Charge
Continuing EMT of flat situated at Sy. No. 90/1, 91 to 95 & 96/1, No. 805,, Block C1, in 8th Floor of L & T South City situated at Kothunur Village, Uttarahalli Hobli, Bangalore South Taluk with plinth area of 1,710 sq.ft, owned by Mr. Prashanth N Rao, Mr. Pranav Narasimha Rao and Mrs. Poornima Prashanth Rao as per LSR dated 16/03/2015. Extent undivided interest in land is 51.63 sq. mtrs in total land area of 1,37,5966.45 sq. mtrs.	₹1.11 Cr.		Exclusive Charge
Term Deposits except BG/LC Margin	₹4.86 Cr.		Exclusive Charge
Hypothecation of Plant & Equipments, Furniture & Fixtures, Vehicles, Office Equipments, Computer & Printer	₹0.45 Cr.	As per ABS 2019	Exclusive Charge
Total Value of Collateral Security	**₹9.18 Cr.**		

Present Status **:** The loan is closed now.

3. PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM CANARA BANK:

Facility : Working Capital Term Loan – II under Guaranteed Emergency Credit Line (GECL-1.0)

Sanctioned Amount : ₹82.00 Lakhs

Date of Sanction : 02/07/2021

Purpose : To provide additional support for building up current assets, meeting operational liabilities and/or restating the business

Repayment Terms : To be repaid in 36 months after moratorium period of 24 months.

Rate of Interest : RLLR (Retail Lending Rate Linked) + 0.60% p.a.
(Current RLLR rate is 6.90% p.a.)

Primary Security : The assets created out of the credit facility so extended

Collateral Security : The additional WCLT facility granted under GECL 1.0 (extension) shall rank second charge with the existing credit facilities within 90 days from the date of disbursement.

Personal Guarantee of : Prabhav N Rao
Priyashaila P Rao
Prashanth N Rao
Pranav Narasimha Rao
Poornima Prashanth Rao

Corporate Guarantee : NIL

4. PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM CANARA BANK:

Facility : Canara Vehicle Loan

Sanctioned Amount : ₹13.00 Lakhs

Date of Sanction : 09/02/2023

Purpose : Vehicle loan for purchase of four wheeler (Nexon P XZA+DTA)

Repayment Terms : To be repaid in 48 monthly EMI of ₹32,784/- each.

Rate of Interest : RLLR (Retail Lending Rate Linked) + 0.30% p.a.
(Current RLLR rate is 9.40% p.a.)

Security : Hypothecation of the four wheeler purchased

Personal Guarantee of : Mrs. Priya Shaila Prabhav Rao
: Mr. Prabhav Rao

Corporate Guarantee : NIL

5. **PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM THE NATIONAL SMALL INDUSTRIES CORPORATION LIMITED (NSIC):**

Facility	: Raw Material Assistance Scheme
Sanctioned Amount	: ₹500.00 Lakhs
Date of Sanction	**:** 23/06/2020
Purpose	**:** To procure raw materials and other inputs required for operation
Validity	**:** N.A.
Period of Assistance	**:** 180 Days
Rate of Interest	**:** 9.50% p.a.
Security	: Bank Guarantee equivalent to limit sanctioned
Personal Guarantee of	: NIL
Corporate Guarantee	: NIL

6. **PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM OXYZO FINANCIAL SERVICES PRIVATE LIMITED (OXYZO):**

Facility	: Secured Purchase Financing
Sanctioned Amount	: ₹75.00 Lakhs
Date of Sanction	**:** 18/10/2023
Purpose	**:** Purchase financing
Facility Tenure	**:** 12 months or BG expire, whichever is earlier
Repayment Terms	**:** 120 days from the date of each draw down
Rate of Interest	**:** 14.50% p.a.
Security	: Bank Guarantee equivalent to limit sanctioned
Personal Guarantee of	: Mr. Prabhav Narasimha Rao : Mrs. Priyashaila Prabhav Rao
Corporate Guarantee	: NIL

B. Unsecured Loans:

(Rs. In Lakhs)

Name of Lender	Date of Sanction	Type of Facility	Purpose	Validity/ Repayment Terms	Rate of Interest	Sanctioned Amount	Outstanding as on 30/09/2024	Outstanding as on 31/03/2024
Aditya Birla Finance Limited	18-11-2023	Business Installment Loan	Business Purpose	12 Monthly Installment from Jan-2024	16.54% p.a.	35.00	2.99	20.86
Aditya Birla Finance Limited	01-09-2024	Business Installment Loan	Business Purpose	12 Monthly Installment from Oct-2024	15.00% p.a.	50.00	50.00	-
Kotak Mahindra Bank Ltd	31-10-2023	Personal Finance	Business Purpose	13 Monthly Installment from Dec-2023	16.00% p.a.	40.00	7.00	24.47
Kotak Mahindra Bank Ltd	13-08-2024	Personal Finance	Business Purpose	9 Monthly Installment from Sep-2024	14.28% p.a.	200.00	178.61	-
Tata Capital Limited	18-11-2023	Business Loan	Business Purpose	18 Monthly Installment from Jan-2024	16.50% p.a.	50.00	26.53	42.50
Ambit Finvest Private Limited	03-05-2024	Udyam Loan SME Corner	Business Purpose	24 Monthly Installment from Jun-2024	17.50% p.a.	40.00	34.26	-
Unity Small Finance Bank Ltd	30-10-2023	Business Loan	Business Purpose	12 Monthly Installment from Dec-2023	18.58% p.a.	51.00	2.66	22.61
Godrej Finance Limited	26-08-2024	Business Loan	Business Purpose	24 Monthly Installment from Oct-2024	16.50% p.a.	35.00	35.00	-
HDFC Bank Ltd	01-09-2024	Business Loan	Business Purpose	12 Monthly Installment from Oct-2024	18.55% p.a.	50.00	50.00	-
SMFG India Credit Company Limited	06-08-2024	Business Loan	Business Purpose	19 Monthly Installment from Oct-2024	17.50% p.a.	40.00	40.00	-
Oxyzo Financial Services Private Limited	18-10-2023	Dropline Overdraft	Business Purpose	6 dropdowns in 12 months	14.50% p.a.	25.00	4.21	15.85
TOTAL						**616.00**	**431.26**	**126.29**

Annexure B

Details of terms of sanction of credit facilities from Canara Bank vide its communication dated 30-08-2024 which is effective from 07-12-2024:

(Rs. In Lakhs)

Nature of Borrowing	Outstanding as on December 31, 2024	Outstanding as on September 30, 2024
C. Secured Loan		
- Fund Based	1,747.33	1,365.58
- Non-Fund Based	853.80	904.90
D. Unsecured Loan	333.20	431.27
Total	**2,934.33**	**2,701.75**

A. Secured Loans: Fund Based -

(Rs. In Lakhs)

Name of Lender	Date of Sanction	Type of Facility	Purpose	Validity/ Repayment Terms	Rate of Interest	Sanctioned Amount	Outstanding as on 31/12/2024
Canara Bank	30-08-2024	Open Cash Credit (OCC/ODBD)	Working Capital Requirement	12 months	RLLR + 3.25% p.a.	1,125.00	1,119.92
Canara Bank	02-07-2021	Working Capital Term Loan - II	Working Capital Requirement	60 months including moratorium	RLLR + 0.60% p.a.	82.00	50.11
Canara Bank	09-02-2023	Canara Vehicle loan	Vehicle loan four-wheeler	48 months	RLLR + 0.30% p.a.	13.00	7.65
The National Small Industries Corporation Limited	23-06-2020	Raw Material Assistance Scheme	Working Capital Requirement	NA	9.50% p.a.	500.00	493.73
Oxyzo Financial Services Limited	18-10-2023	Purchase Financing	Working Capital Requirement	12 months	14.50% p.a.	75.00	75.92*
TOTAL FUND BASED LIMIT						**1,795.00**	**1,747.33**

**Including interest amount due for payment*

Non-Fund Based:

(Rs. In Lakhs)

Name of Lender	Date of Sanction	Type of Facility	Purpose	Validity/ Repayment Terms	Margin	Sanctioned Amount	Outstanding as on 31/12/2024
Canara Bank	30-08-2024	Bank Guarantee (BG)	Performance / EMD / Security etc	12 months	15.00%	1,600.00	853.80
		Inland Letter of Credit (ILC)	For the procurement of raw materials	12 months	15.00%	300.00	-
TOTAL NON-FUND BASED LIMIT						**1,900.00**	**853.80**

NOTE ON DETAILS TERMS OF SECURED LOAN:

1. **PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM CANARA BANK:**

Facility	: Open Cash Credit (OCC/ODBD) limit of Rs. 1125.00 Lakhs : Bank Guarantee (Inland/Foreign) limit of Rs. 1600.00 Lakhs : Inland Letter of Credit (ILC) limit of Rs. 300.00 Lakhs
Date of Renewal	**:** 30/08/2024
Purpose	**:** Open Cash Credit – Working capital requirements **:** Bank Guarantee – Performance guarantee/ EMD/ Security/ Advance payment guarantee/ Retention money favouring Govt./ Semi Govt Depts etc. **:** Inland Letter of Credit (ILC) – For the procurement of raw materials
Rate of Interest	**:** RLLR (Retail Lending Rate Linked) + 3.25% p.a. for Cash Credit (Current RLLR rate is 9.25% p.a.)
Margin	**:** 15% for BG & LC by way of Cash/Deposits
Repayment Terms	**:** Validity of Sanction is for 12 months, repayable on demand
Primary Security	: Exclusive charge on hypothecation on Stock, Work-in-progress & Book Debts. : Deposit of ₹255.00 Lakhs being 15% margin for BG & LC
Collateral Security	: As mentioned below

Description	Value	Source and Date	Nature of charge
Continuing EMT of residential flat, bearing No. C-1, 1205, 12th floor, Sy. No:91, 92(Part), 94, 95, 90/1 & 96/1, Kothanuru Village, Littharahalli Hobli, L & T South City, Arakere Mico Layout, Bannerghatta Road, Bangalore-560076, measuring 1710 Sq. Ft., standing in the name of Mr. Prabhav N Rao	₹1.69 Cr.	As per VR dated 13.05.2022	Exclusive Charge
Continuing EMT of residential flat bearing A2103, 21st Floor, Wing - A of the project "Mantri Serenity", constructed over the land bearing BBMP Khata No. 1598 & 1599/59 & 60 in lands bearing Survey Nos. 57(P), 58(P), 56(P), 59(P) and 60(P), all situated at Doddakallasandra Village, Uttarahalli Hobli, Off Kanakapura Road, Bangalore South, Taluk, by Mr. Prabhav N Rao and Mrs. Priyashaila as per LSR dated 04/06/2013	₹3.18 Cr	As per VR dated 13.05.2022	
Continuing EMT of flat situated at Sy. No. 90/1, 91 to 95 & 96/1, No. 805,, Block C1, in 8th Floor of L & T South City situated at Kothunur Village, Uttarahalli Hobli, Bangalore South Taluk with plinth area of 1,710 sq.ft, owned by Mr. Prashanth N Rao, Mr. Pranav Narasimha Rao and Mrs. Poornima Prashanth Rao as per LSR dated 16/03/2015. Extent undivided interest in land is 51.63 sq. mtrs in total land area of 1,37,5966.45 sq. mtrs.	₹1.69 Cr.	As per VR dated 13.05.2022	
Term Deposits except BG/LC Margin	₹6.66 Cr.		Exclusive Charge
Hypothecation of Plant & Equipments, Furniture & Fixtures, Vehicles, Office Equipments, Computer & Printer	₹1.11 Cr.	As per ABS 2024	Exclusive Charge
Fixed Deposit in the name of Company	₹0.52 Cr.		Exclusive Charge
RD of ₹5.00 Lakhs per month for one year (On maturity after one year, the total RD amount with interest has to be made fixed deposit)	₹0.60 Cr.		Exclusive Charge
Total Value of Collateral Security	**₹15.45 Cr.**		

Personal Guarantee of	: Mr. Prabhav Rao : Mrs. Priyashaila Prabhav Rao : Mr. Pranav Narasimha Rao : Mrs. Poornima Prashant Rao : Mr. Upanishad Rao : Mrs. Shloka Rao
Corporate Guarantee	: NIL

Note:

1. *Canara bank vide its sanction letter dated 30/08/2024 has stipulated a condition for the closure of limit with NSIC or explore the possibilities of obtaining 100% cash margin for the BGs issued in favor of NSIC. The company has requested vide the letter dated 28/11/2024 that they are unable to close the limit with NSIC at the moment and will try to close the same by 31/03/2025 and not to charge any penal interest for the same. The bank has so far not charged any penal interest in this regard till the date of issue of this letter.*

2. *Canara bank vide its sanction letter dated 30/08/2024 has stipulated a condition for the closure of working capital facility with OXYZO Financial Services Private Limited, failing which 2% penal charges will be applicable for non-compliance of the sanction terms till the closure of the above said facility with OXYZO to be collected. The company has requested vide the letter dated 28/11/2024 that they are unable to close the limit with OXYZO at the moment and will try to close the same by 31/03/2025 and not to charge any penal interest for the same. Bank has so far not charged any penal interest in this regard till the date of issue of this letter.*

B. Unsecured Loans:

(Rs. In Lakhs)

Name of Lender	Date of Sanction	Type of Facility	Purpose	Validity/ Repayment Terms	Rate of Interest	Sanctioned Amount	Outstanding as on 31/12/2024
Aditya Birla Finance Limited	18-11-2023	Business Installment Loan	Business Purpose	12 Monthly Installment from Jan-2024	16.54% p.a.	35.00	-
Aditya Birla Finance Limited	01-09-2024	Business Installment Loan	Business Purpose	12 Monthly Installment from Oct-2024	15.00% p.a.	50.00	38.19
Kotak Mahindra Bank Ltd	31-10-2023	Personal Finance	Business Purpose	13 Monthly Installment from Dec-2023	16.00% p.a.	40.00	-
Kotak Mahindra Bank Ltd	13-08-2024	Personal Finance	Business Purpose	9 Monthly Installment from Sep-2024	14.28% p.a.	200.00	113.60
Tata Capital Limited	18-11-2023	Business Loan	Business Purpose	18 Monthly Installment from Jan-2024	16.50% p.a.	50.00	18.05
Ambit Finvest Private Limited	03-05-2024	Udyam Loan SME Corner	Business Purpose	24 Monthly Installment from Jun-2024	17.50% p.a.	40.00	29.73
Unity Small Finance Bank Ltd	30-10-2023	Business Loan	Business Purpose	12 Monthly Installment from Dec-2023	18.58% p.a.	51.00	-
Godrej Finance Limited	26-08-2024	Business Loan	Business Purpose	24 Monthly Installment from Oct-2024	16.50% p.a.	35.00	31.23
HDFC Bank Ltd	01-09-2024	Business Loan	Business Purpose	12 Monthly Installment from Oct-2024	18.55% p.a.	50.00	38.23
SMFG India Credit Company Limited	06-08-2024	Business Loan	Business Purpose	19 Monthly Installment from Oct-2024	17.50% p.a.	40.00	34.04
Oxyzo Financial Services Limited	18-10-2023	Dropline Overdraft	Business Purpose	6 dropdowns in 12 months	14.50% p.a.	30.00	30.13
TOTAL						**621.00**	**333.20**

The information for the issuance of this certificate is true and correct to the best of our knowledge and belief and nothing has been concealed or misrepresented. We confirm that any changes to the above that we may be aware of shall immediately be intimated to the Lead Manager till the date the Equity Shares of the Company commence trading on the Stock Exchange. In the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

For RAO ASSOCIATES
Chartered Accountants
FRN: 003080S

Sd/-

CA Shilpa D Rao
Designation: Partner
Membership Number: 230596
UDIN: 25230596BMLWOW7229

Place: Bengaluru
Date: 01/02/2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial for six months period ended 30th September 2024 and for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this Draft red herring prospectus. You should also see the section titled ***"Risk Factors"*** *beginning on page 24 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated December 27, 2024 which is included in this Draft Red Herring Prospectus under the section titled ***"Financial Information as Restated"*** *beginning on page 202 of this Draft red herring prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.*

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under ***"Risk Factors"*** *and* ***"Forward Looking Statements"*** *beginning on pages 24 and 17 respectively, and elsewhere in this draft red herring prospectus*

Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled ***"Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation"*** *beginning on page 15 of this Draft Red Herring Prospectus.*

BUSINESS OVERVIEW

Our Company was originally incorporated as a Private Limited Company in the name of ***"Leapfrog Informatics Private Limited"*** on May 09, 2005 under the provisions of Companies Act, 1956 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently the name of our company was changed to ***"Leapfrog Engineering Services Private Limited"*** vide a fresh Certificate of Incorporation consequent upon Change of Name dated January 23, 2009 bearing Corporate Identification Number U74210KA2005PTC036274 issued by Registrar of Companies - Karnataka. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to ***"Leapfrog Engineering Services Limited"*** vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2024 bearing Corporate Identification Number U74210KA2005PLC036274 issued by Registrar of Companies – Central Processing Centre (CPC).

Leapfrog Engineering Services Limited (LESL) is engaged in engineering, procurement, construction, and commissioning (EPCC) with a specialized focus on electrical, instrumentation, fire safety, modular substation and automation systems. We are an integrated Engineering Services Company that provides EPCC services for a wide range of industries, including Oil and Gas, Food processing, Pharma, Metals among others. With over 20 years of a strong, customer -focused approach and a continuous quest for outstanding quality, Leapfrog has unmatched capabilities across Electrical, Instrumentation, Automation, Fire Protection, Modular Substation and Project Execution. Leapfrog has built a reputation for its expertise in developing large – scale projects including refineries, early productions facilities, gas sweetening facilities, petrochemical plants, pharma, food processing, metals, chemicals and fertilizers.

Our expertise spans a wide range of engineering solutions, making us a versatile and comprehensive service provider in the industry. We cater to a highly diversified client base, delivering tailored solutions across numerous sectors. Our operations extend across multiple states within India and reach internationally, serving clients in many countries around the globe.

This extensive geographical reach, combined with our broad spectrum of services, enables us to address complex engineering challenges with precision and efficiency. Whether domestically or internationally, our commitment to quality and innovation has allowed us to build strong, lasting relationships with clients from various industries, reinforcing our reputation as a trusted partner in delivering cutting-edge engineering solutions.

We are driven by the vision and leadership of a highly experienced senior management team, spearheaded by our Managing Director, Mr. Prabhav Narasimha Rao, and our Wholetime Director, Mrs. Priyashaila Prabhav Rao. Their active involvement in strategic planning, conceptualization, design, and service development underscores their commitment to our business. Both leaders have played an integral role in shaping our business strategy and bring extensive expertise in engineering services. As architects of our strategic vision, Mr. Prabhav Narasimha Rao and Mrs. Priyashaila Prabhav Rao have consistently demonstrated the ability to create, build, and grow our brands and business.

In addition to their leadership, we are supported by a dedicated and experienced management team of cross-functional professionals and a seasoned Board of Directors. Together, they bring expertise spanning all aspects of our operations. We aim to leverage the strength of our brands to offer a diverse range of services tailored to our customers' needs. By continuing to grow our brands, deepening our understanding of customer requirements, and fostering strong client relationships, we are well-positioned to expand our footprint in the engineering solutions market.

In line with our commitment to scaling our brand and business, we are planning to establish a state-of-the-art facility at Site No. 11 & 12, Akshya Nagar, Yelenahalli, Begur, Bengaluru – 560068, Karnataka with an estimated project cost of ₹ 2,816.91 lakhs. The proposed facility is a strategic move to strengthen our operational capabilities, expand our service offerings, and enhance our ability to deliver innovative engineering solutions to our customers. By setting up this facility, we aim to not only drive business growth and brand recognition but also create new business opportunities, fostering long-term prospects for our organization in the highly competitive engineering solutions industry.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e. September 30, 2024 as disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Our Company has made allotment of 63,84,000 (Sixty-Three Lakh Eighty-Four Thousand) equity shares of face value of ₹ 1/- each at an issue price of ₹ 24/- per equity share, aggregating to ₹ 1,532.16 lakhs through Private Placement on October 31, 2024. The said equity shares were authorised vide a special resolution of members dated October 21, 2024 and allotted pursuant to a Board Resolution dated October 31, 2024.

2. The Board of Directors have decided to get their equity shares listed on SME Platform and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on December 16, 2024 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

3. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on December 19, 2024 authorized the Initial Public Offer.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

1. Covid-19 like pandemic.
2. Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
3. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
4. Our ability to retain and hire key employees or maintain good relations with our workforce;
5. Impact of any reduction in sales of our services/products;
6. Rapid Technological advancement and inability to keep pace with the change;
7. Increased competition in industries/sector in which we operate;
8. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
9. Changes in laws and regulations relating to the Sectors in which we operate;
10. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
11. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
12. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
13. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled ***"Financial Statements as Restated"*** beginning from page 202 of the Draft Red Herring Prospectus.

FINANCIAL KPIs OF THE COMPANY:

(₹ in lakhs except percentage and ratios)

Particulars	30-09-2024*	31-03-2024	31-03-2023	31-03-2022
Total Income	3,208.71	16,287.69	10,537.88	4,228.90
Growth (%)	(80.30)%	54.56%	149.19%	67.76%
Revenue from Operation	3,131.22	15,785.42	10,417.86	4,159.14
EBITDA (Operating Profit)	612.34	1,973.07	100.51	246.74
EBITDA Margin (%)	19.56%	12.50%	0.96%	5.93%
PAT	435.45	1,639.27	28.30	62.29
Growth (%)	(73.44)%	5,691.64%	(54.56)%	(5.98)%
PAT Margin (%)	13.91%	10.38%	0.27%	1.50%
EPS (Basic & Diluted) - (As per end of Restated period)	0.43	341.51	5.90	12.98
EPS (Basic & Diluted) - (Post Bonus & Split with retrospective effect)	0.43	1.63	0.03	0.06
Total Borrowings	1,796.85	1,377.85	1,304.69	1,981.74
Total Net Worth (TNW)	2,606.48	2,171.03	531.76	503.46
ROCE%	15.16%	68.10%	10.95%	12.28%
RONW (%)	16.71%	75.51%	5.32%	12.37%
Debt Equity Ratio (Total Borrowing/TNW)	0.69	0.63	2.45	3.94

** Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.*

Details of Geographical wise sales *(₹ in Lakhs)*

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
- Domestic Sales	1,649.02	1,745.24	1,692.61	1,727.62
- Export Sales	1,482.20	14,040.18	8,725.25	2,431.52
Total Revenue from Operations	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

Details of State wise Turnover *(₹ in Lakhs)*

Particular	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Bihar	-	178.70	372.28	496.22
Karnataka	1,329.19	1,245.47	1,050.14	245.95
Maharashtra	12.40	119.13	213.92	837.87
Tamil Nadu	61.75	186.93	56.27	147.58
West Bengal	-	7.69	-	-
Rajasthan	-	7.33	-	-
Andhra Pradesh	245.68	-	-	-
Total	**1,649.02**	**1,745.24**	**1,692.61**	**1,727.62**

Details of Country wise Turnover *(₹ in Lakhs)*

Particular	30-09-2024	31-03-2024	31-03-2023	31-03-2022
India	1,649.02	1,745.24	1,692.61	1,727.62
Bahrain	829.29	-	17.95	-
Kuwait	645.22	14,019.52	8,704.89	2,431.52
Nigeria	-	-	2.41	-
Singapore	7.69	20.66	-	-
Total	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

Details of Sector-wise Turnover *(₹ in Lakhs)*

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Government/Public Sector Undertakings	-	243.93	625.07	1,481.67
Private	3,131.22	15,541.49	9,792.79	2,677.47
Total of Revenue	**3,131.22**	**15,785.42**	**10,417.86**	**4,159.14**

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from restated profit and loss accounts for six months period ended on 30th September 2024 and for the financial years ended on 31st March 2024, 31st March 2023 and 31st March 2022 and the components of which are also expressed as a percentage of total income for such periods.

(₹ in lakhs except as otherwise mention)

Particulars	For the period ended							
	30-09-2024	% of Total Turnover	31-03-2024	% of Total Turnover	31-03-2023	% of Total Turnover	31-03-2022	% of Total Turnover
Income								
Revenue from Operations	3,131.22	97.59%	15,785.42	96.92%	10,417.86	98.86%	4,159.14	98.35%
Other Income	77.49	2.41%	502.27	3.08%	120.02	1.14%	69.76	1.65%
Total Income	**3,208.71**	**100.00%**	**16,287.69**	**100.00%**	**10,537.88**	**100.00%**	**4,228.90**	**100.00%**
Expenditure								
Cost of Material Consumed	1,517.25	47.29%	11,923.90	73.21%	7,988.58	75.81%	2,002.06	47.34%
Contract Execution Expenses	365.92	11.40%	1,115.72	6.85%	819.03	7.77%	757.10	17.90%
Changes in Work in progress	115.36	3.60%	(243.11)	(1.49)%	56.24	0.53%	497.30	11.76%
Employee Benefit Expenses	338.10	10.54%	458.98	2.82%	403.63	3.83%	252.70	5.98%
Other Expenses	182.25	5.68%	494.86	3.04%	1,049.87	9.96%	403.24	9.54%
Total Expenses	**2,518.88**	**78.50%**	**13,750.35**	**84.42%**	**10,317.35**	**97.91%**	**3,912.40**	**92.52%**
Profit Before Interest, Depreciation and Tax	**689.83**	**21.50%**	**2,537.34**	**15.58%**	**220.53**	**2.09%**	**316.50**	**7.48%**
Depreciation & Amortisation Expenses	22.12	0.69%	58.72	0.36%	19.45	0.18%	11.20	0.26%
Profit Before Interest and Tax	**667.70**	**20.81%**	**2,478.62**	**15.22%**	**201.08**	**1.91%**	**305.30**	**7.22%**
Financial Charges	102.68	3.20%	179.52	1.10%	138.92	1.32%	208.27	4.92%
Profit before Taxation and exceptional items	**565.03**	**17.61%**	**2,299.10**	**14.12%**	**62.16**	**0.59%**	**97.03**	**2.29%**
Exceptional items	-	-	62.00	0.38%	-	-	-	
Profit before Taxation	**565.03**	**17.61%**	**2,237.10**	**13.73%**	**62.16**	**0.59%**	**97.03**	**2.29%**
Provision for Taxation	132.93	4.14%	609.18	3.74%	24.06	0.23%	40.14	0.95%
Provision for Deferred Tax	(3.35)	(0.10)%	(11.35)	(0.07)%	9.80	0.09%	(5.40)	(0.13)%
Total	**129.58**	**4.04%**	**597.83**	**3.67%**	**33.85**	**0.32%**	**34.74**	**0.82%**
Profit After Tax but Before Extra-ordinary Items	**435.45**	**13.57%**	**1,639.27**	**10.06%**	**28.30**	**0.27%**	**62.29**	**1.47%**
Extraordinary Items	-	-	-	-	-	-	-	-
Profit Attributable to Minority Shareholders	-	-	-	-	-	-	-	-
Net Profit after adjustments	**435.45**	**13.57%**	**1,639.27**	**10.06%**	**28.30**	**0.27%**	**62.29**	**1.47%**
Net Profit Transferred to Balance Sheet	**435.45**	**13.57%**	**1,639.27**	**10.06%**	**28.30**	**0.27%**	**62.29**	**1.47%**

For the six months period ended on 30th September 2024 we generated a total income of ₹3,208.71, EBITDA (operating profit) of ₹612.34 Lakhs and Net Profit after tax of ₹435.45 Lakhs. In the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we generated total income of ₹16,287.69 Lakhs, ₹10,537.88 Lakhs and ₹4,228.90 Lakhs respectively, EBITDA (operating profit) of ₹1,973.07 Lakhs, ₹100.51 Lakhs and ₹246.74 Lakhs respectively and Net Profit after tax of ₹1,639.27 Lakhs, ₹28.30 lakhs and ₹62.29 Lakhs respectively. We have reported Return on Net Worth of 16.71%, 75.51%, 5.32% and 12.37% for the six months period ended on 30th September 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively.

Revenue from operations grew from ₹4,159.14 Lakhs in FY 2021-22 to ₹15,785.42 Lakhs in FY 2023-24, marking an increase of ₹11,626.28 Lakhs (279.54% for the said period). Correspondingly, Profit After Tax (PAT) surged from ₹62.29 Lakhs to ₹1,639.27 Lakhs, as per the restated financial statements for the said period. This growth was primarily driven by higher revenue from operations, particularly from exports, which boosted foreign currency earnings. Additionally, the company implemented cost-reduction measures. These factors are discussed in detail in this chapter.

MAIN COMPONENTS OF PROFIT AND LOSS ACCOUNT

Total Income

Our total income comprises of Revenue from Operations and Other Income.

Revenue from Operations

Our operational revenue is derived from service activities, primarily through the provision of engineering, procurement, construction, and commissioning (EPCC) services. This revenue is further categorized into three streams: Contract Revenue, Sale of Products, and Sale of Services. We serve both domestic and international markets across a variety of industries, including Oil and Gas, Food Processing, Pharmaceuticals, Metals, and others.

Other Income

Our other income comprises of Export Incentives, Interest Income, Foreign Exchange Fluctuation and other income.

Expenditure

Our total expenditure primarily consists of Cost of Material Consumed, Contract Execution Expenses, Change in Work-in-progress, Employee Benefit Expenses, Other Expenses, Depreciation & Amortisation Expenses and Financial Charges.

Cost of Material Consumed

Cost of materials consumed comprises of difference in opening and closing balance of raw material and purchases.

Contract Execution Expenses

Contract execution expenses refer to the costs incurred during the process of fulfilling the terms of a contract and are directly associated with carrying out the specific work outlined in a contract.

Change in Work-in-progress

"Changes in work in progress" typically refer to adjustments in the value or status of work that has begun but is not yet completed. It represents the ongoing work that is in various stages of completion but has not yet been finished or billed.

Employee Benefit Expenses

Employee benefit expenses comprise of Office Staff salary, Gratuity, Leave encashment, Contribution to ESI, PF and other funds, staff welfare and Directors Remuneration.

Other Expenses

Other expenses comprise of Payment to Auditors, Bank Charges, Insurance, Rent, Balances written off, Professional and Legal charges, Communication cost, Travel cost - others, Selling and distribution expense, Repairs and Maintenance, Rates, Taxes, Regn & Renewals, Interest and Penalty under statutory laws, Water, Power and Fuel, Postage and Courier, Printing and Stationery, Donations, Loss on Sale of Fixed Assets and Miscellaneous Expenses.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses comprises of depreciation on the Tangible/Intangible assets of our company.

Financial Charges

Financial Charges comprises of Interest to banks and other borrowing costs.

Provision for Taxation

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainly that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2024

Total Income

The total income during the period (April 01, 2024 to September 30, 2024) was ₹ 3,208.71 Lakhs and includes Revenue from Operations and Other Incomes.

Revenue from Operations

The revenue from operation during the period (April 01, 2024 to September 30, 2024) was ₹ 3,131.22 Lakhs which is almost 97.59% of total revenue which consist Revenue from service activities, primarily through the provision of engineering, procurement, construction, and commissioning (EPCC) services. This revenue is further categorized into three streams: Contract Revenue, Sale of Products, and Sale of Services. We serve both domestic and international markets across a variety of industries, including Oil and Gas, Food Processing, Pharmaceuticals, Metals, and others.

Other Income

The Other Income during the period (April 01, 2024 to September 30, 2024) was ₹ 77.49 lakhs which is almost 2.41% of total revenue and comprises of Export Incentives, Interest Income, Foreign Exchange Fluctuation and other income.

Expenditure

The total expenses during the period (April 01, 2024 to September 30, 2024) were ₹ 2,643.68 Lakhs which is almost 82.39% of total revenue. The total expenses consist of Cost of Material Consumed, Contract Execution Expenses, Change in Work-in-progress, Employee Benefit Expenses, Other Expenses, Depreciation & Amortisation Expenses and Financial Charges.

Cost of Material Consumed

Cost of materials consumed during the period (April 01, 2024 to September 30, 2024) was ₹ 1,517.25 Lakhs which is almost 47.29% of total revenue and comprises of difference in opening and closing balance of raw material and purchases.

Contract Execution Expenses

Contract execution expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 365.92 Lakhs which is almost 11.40% of total revenue and consists of costs incurred during the process of fulfilling the terms of a contract and are directly associated with carrying out the specific work outlined in a contract.

Change in Work-in-progress

Changes in work in progress during the period (April 01, 2024 to September 30, 2024) was ₹ 115.36 Lakhs which is almost 3.60% of total revenue. "Changes in work in progress" typically refer to adjustments in the value or status of work that has begun but is not yet completed. It represents the ongoing work that is in various stages of completion but has not yet been finished or billed.

Employee Benefit Expenses

Employee benefit expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 338.10 Lakhs which is almost 10.54% of total revenue and comprise of Office Staff salary, Gratuity, Leave encashment, Contribution to ESI, PF and other funds, staff welfare and Directors Remuneration.

Other Expenses

Other expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 182.25 Lakhs which is almost 5.68% of total revenue and comprise of Payment to Auditors, Bank Charges, Insurance, Rent, Balances written off, Professional and Legal charges, Communication cost, Travel cost - others, Selling and distribution expense, Repairs and Maintenance, Rates, Taxes, Regn & Renewals, Interest and Penalty under statutory laws, Water, Power and Fuel, Postage and Courier, Printing and Stationery, Donations, Loss on Sale of Fixed Assets and Miscellaneous Expenses.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 22.12 Lakhs which is almost 0.69% of total revenue and comprises of depreciation on the Tangible/Intangible assets of our company.

Financial Charges

Financial Charges during the period (April 01, 2024 to September 30, 2024) was ₹ 102.68 Lakhs which is almost 3.20% of total revenue and comprises of Interest to banks and other borrowing costs.

Profit/ (Loss) Before Tax:

The profit/(loss) before tax during the period (April 01, 2024 to September 30, 2024) was ₹ 565.03 Lakhs which is almost 17.61% of the total revenue.

Provision for Taxation

The provision for taxation (both current tax and deferred tax) during the period (April 01, 2024 to September 30, 2024) was ₹ 129.58 Lakhs which is almost 4.04% of total revenue. The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainly that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Profit After Tax:

The profit after tax during the period (April 01, 2024 to September 30, 2024) was ₹ 435.45 Lakhs which is almost 13.57% of the total revenue.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2024 WITH FISCAL 2023

Total Revenue: The total revenue, comprising both revenue from operations and other income, has risen to ₹16,287.69 lakhs in FY 2023-24, up from ₹10,537.88 lakhs in FY 2022-23. This represents an increase of ₹5,749.81 lakhs, or 54.56% for the said period, mainly driven by a growth in export revenue from the company's operations due to strong order book in hand and higher foreign exchange earnings.

Revenue from Operations: The revenue from operations has increased to ₹15,785.42 lakhs (96.92% of the Total revenue) in FY 2023-24 from ₹10,417.86 lakhs (98.86% of the Total revenue) in FY 2022-23 i.e. revenue from operation increased by ₹ 5,367.56 lakhs (51.52% for the said period). This growth was primarily due to a significant increase in our export business. The export sales have increased to ₹14,040.18 Lakhs in FY 2023-24 from ₹8,725.25 lakhs in FY 2022-23 i.e. export sales have increased by ₹ 5,314.93 lakhs (60.91% for the said period). Export sales in FY 2024 saw significant growth, largely driven by the marketing efforts, which facilitated expanded business opportunities and opened up new business prospects in international markets, especially in the Middle East Countries like Kuwait, where our sales increased to ₹ 14,019.52 Lakhs in the current fiscal year from ₹ 8,704.89 Lakhs in FY 2022-23. As a result, this has led to a notable surge in our export revenue and higher foreign currency earnings in the current fiscal year. Further, in FY 2023-24, our domestic sales increased to ₹1,745.24 lakhs, up from ₹1,692.61 lakhs in FY 2022-23, representing an increase of ₹52.63 lakhs (3.11% for the said period). Our business strategy was centered on expanding into foreign markets while simultaneously maintaining and strengthening our presence in the domestic market, ensuring balanced growth across both segments.

Other Income: The other income of the company for FY 2023-24 increased to ₹502.27 Lakhs as against ₹120.02 Lakhs in the FY 2022-23 i.e. Other Income increased by ₹382.25 Lakhs (318.49% for the said period). This increase was mainly due to increase in income from foreign exchange fluctuation.

Total Expenses
The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2023-24 were increased to ₹13,750.35 Lakhs (84.42% of total revenue) as against ₹10,317.35 Lakhs (97.91% of total revenue) in the FY 2022-23 i.e., total expenses increased by ₹3,432.99 lakhs (33.27% for the said period). This increase was primarily due to higher Cost of Material Consumed, Contract Execution Expenses and Employee Benefit Expenses, all of which resulted from an increase in operational volume during the fiscal year, as highlighted in the revenue from operations above.

Cost of Material Consumed: The total cost of material consumed have increased to ₹11,923.90 lakhs in FY 2023-24 from ₹7,988.58 lakhs in FY 2022-23 i.e. the above expenses increased by ₹3,935.32 lakhs (49.26% for the said period). This rise was primarily driven by higher purchases during the current fiscal year, in line with the growth in operational volume, as reflected in the revenue from operations above.

Contract Execution Expenses: The total cost of contract execution expenses has increased to ₹1,115.72 lakhs in FY 2023-24 from ₹819.03 lakhs in FY 2022-23 i.e. the above expenses increased by ₹296.69 lakhs (36.22% for the said period). This rise was primarily driven by higher execution expenses during the current fiscal year, in line with the growth in operational volume, as reflected in the revenue from operations above.

Change in Work-in-progress: The changes in Work-in-progress have changed to ₹(243.11) lakhs in FY 2023-24 from ₹56.24 lakhs in FY 2022-23 i.e. the above expenses changed by ₹(299.35) lakhs. This was primarily due to the higher operational volume in the current fiscal year, as reflected in the revenue from operations above.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2023-24 was increased to ₹458.98 Lakhs as against ₹403.63 Lakhs in the FY 2022-23 i.e., employee benefit expenses increased by ₹55.35 lakhs (13.71% for the said period). This increase was mainly due to increase in overall Salaries paid during the fiscal year.

Other Expenses: The Other Expenses for the FY 2023-24 decreased to ₹494.86 Lakhs as against ₹1,049.87 Lakhs in the FY 2022-23 i.e., other expenses decreased by ₹555.01 lakhs (52.86% for the said period). This decrease was primarily due to a reduction in selling and distribution expenses. In FY 2022-23, the company incurred a one-time expenditure of ₹591.82 Lakhs on commission and consultancy to establish itself as a quality and price-competitive supplier in the export market. No such expenditure was necessary in the current fiscal year, resulting in lower selling and distribution costs and, consequently, a decrease in overall other expenses. Other expenses excluding the above for the current fiscal year were in line with normal, steady levels.

Depreciation and Amortisation Expenses: The Depreciation and Amortisation expenses for FY 2023-24 increased to ₹58.72 Lakhs as against ₹19.45 Lakhs in the FY 2022-23 i.e., depreciation increased by ₹39.27 lakhs (201.90% for the said period). This rise was primarily due to the capital expenditure incurred during the fiscal year.

Financial Charges: The Financial Charges for the FY 2023-24 increased to ₹179.52 Lakhs as against ₹138.92 Lakhs in the FY 2022-23 i.e., financial charges increased by ₹40.60 lakhs (29.23% for the said period). This increase was mainly due to increase in interest on loan as per their utilization.

Profit/ (Loss) Before Tax: The restated Profit before Tax (after exceptional items of ₹62.00 Lakhs) for FY 2023-24 was increased to ₹2,237.10 Lakhs (13.73% of total income) as against ₹62.16 Lakhs (0.59% of total income) in the FY 2022-23 i.e., profit before tax increased by ₹2,174.94 Lakhs (3,499.05% for the said period). Profit before taxation has experienced a notable increase, primarily driven by the fact that during FY 2022-23, we incurred one-time expenses of ₹591.82 Lakhs on commission and consultancy which were not incurred in FY 2023-24. Further, the company experienced a loss due to foreign exchange fluctuations in the FY 2022-23. In contrast, FY 2023-24 saw favorable foreign exchange fluctuations, which were recorded under other income, contributing to the increase in Profit Before Tax. Additionally, given that the profit margin from exports is higher than that from domestic sales, the company has experienced an overall increase in profitability. This shift toward greater export sales has contributed significantly to the enhanced financial performance.

Total Tax Expenses: The total tax expense for FY 2023-24 increased to ₹597.83 Lakhs as against ₹33.85 Lakhs in the FY 2022-23. This increase was mainly due to increase in Profit before Tax as mentioned above.

Profit/ (Loss) After Tax: The restated Profit after Tax for FY 2023-24 increased to ₹1,639.27 Lakhs as against ₹28.30 Lakhs in the FY 2022-23. This increase was mainly due to increase in Profit before Tax as explained above.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2023 WITH FISCAL 2022

Total Revenue: The total revenue, comprising both revenue from operations and other income, has risen to ₹10,537.88 lakhs in FY 2022-23, up from ₹4,228.90 lakhs in FY 2021-22. This represents an increase of ₹6,308.98 lakhs, or 149.19%, mainly driven by a growth in export revenue from the company's operations and higher foreign exchange earnings.

Revenue from Operations: The revenue from operations has increased to ₹10,417.86 lakhs (98.86% of the Total revenue) in FY 2022-23 from ₹4,159.14 lakhs (98.35% of the Total revenue) in FY 2021-22 i.e. revenue from operation increased by ₹6,258.72 lakhs (150.48% for the said period). This growth was primarily due to a significant increase in our export business. The export sales have increased to ₹8,725.25 lakhs in FY 2022-23 from ₹2,431.52 lakhs in FY 2021-22 i.e. export sales have increased by ₹6,293.73 lakhs (258.84% for the said period). Export sales saw significant growth, largely driven by the marketing efforts, which facilitated expanded business opportunities and opened up new business prospects in international markets. As a result, this has led to a notable surge in our export revenue and higher foreign currency earnings in the current fiscal year. Further, in FY 2022-23, our domestic sales decreased to ₹1,692.61 lakhs, from ₹1,727.62 lakhs in FY 2022-23, representing a decrease of ₹35.01 lakhs (2.03% for the said period). Although domestic sales have experienced only a minimal decline compared to the previous year, they have been effectively maintained, reflecting the company's resilience in the market.

Other Income: The other income of the company for FY 2022-23 increased to ₹ 120.02 Lakhs as against ₹69.76 Lakhs in the FY 2021-22 i.e. Other Income increased by ₹50.26 Lakhs (72.04% for the said period). This increase was mainly due to increase in export incentives.

Total Expenses

The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2022-23 were increased to ₹10,317.35 Lakhs (97.91% of total revenue) as against ₹3,912.40 Lakhs (92.52% of total revenue) in the FY 2021-22 i.e., total expenses increased by ₹6,404.96 lakhs (163.71% for the said period). This increase was primarily due to higher Cost of Material Consumed, Contract Execution Expenses and Employee Benefit Expenses, all of which resulted from an increase in operational volume during the fiscal year, as highlighted in the revenue from operations above.

Cost of Material Consumed: The total cost of material consumed have increased to ₹7,988.58 lakhs in FY 2022-23 from ₹2,002.06 lakhs in FY 2021-22 i.e. the above expenses increased by ₹5,986.52 lakhs (299.02% for the said period). This rise was primarily driven by higher purchases during the current fiscal year, in line with the growth in operational volume, as reflected in the revenue from operations above.

Contract Execution Expenses: The total cost of contract execution expenses has increased to ₹819.03 lakhs in FY 2022-23 from ₹757.10 lakhs in FY 2021-22 i.e. the above expenses increased by ₹61.93 lakhs (8.18% for the said period). This rise was primarily driven by higher execution expenses during the current fiscal year, in line with the growth in operational volume, as reflected in the revenue from operations above.

Change in Work-in-progress: The changes in Work-in-progress have changed to ₹56.24 lakhs in FY 2022-23 from ₹497.30 lakhs in FY 2021-22 i.e. the above expenses changed by ₹(441.06) lakhs. This was primarily due to the higher operational volume in the current fiscal year, as reflected in the revenue from operations above.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2022-23 increased to ₹403.63 Lakhs as against ₹252.70 Lakhs in the FY 2021-22 i.e., employee benefit expenses increased by ₹150.93 lakhs (59.73% for the said period). This increase was mainly due to increase in overall Salaries paid during the fiscal year.

Other Expenses: The Other Expenses for the FY 2022-23 increased to ₹1,049.87 Lakhs as against ₹403.24 Lakhs in the FY 2021-22 i.e., other expenses increased by ₹646.63 lakhs (160.36% for the said period). This rise was primarily driven by higher commission and consultancy expenses incurred during the current fiscal year. Notably, we undertook a one-time expenditure of ₹591.82 Lakhs on commission and consultancy to strengthen the company's position as a competitive supplier in terms of quality and price in the export market. As a result, overall other expenses saw a significant increase.

Depreciation and Amortisation Expenses: The Depreciation and Amortisation expenses for FY 2022-23 increased to ₹19.45 Lakhs as against ₹11.20 Lakhs in the FY 2021-22 i.e., depreciation increased by ₹8.25 lakhs (73.66% for the said period). This rise was primarily due to the capital expenditure incurred during the fiscal year.

Financial Charges: The Financial Charges for the FY 2022-23 decreased to ₹138.92 Lakhs as against ₹208.27 Lakhs in the FY 2021-22 i.e., financial charges decreased by ₹69.35 lakhs (33.30% for the said period). This decrease was mainly due to decrease in Long Term and Short-Term Borrowings which resulted in a corresponding reduction in finance costs.

Profit/ (Loss) Before Tax: The restated Profit Before Tax (PBT) for FY 2022-23 declined to ₹62.16 Lakhs (0.59% of total income) compared to ₹97.03 Lakhs (2.29% of total income) in FY 2021-22, reflecting a decrease of ₹34.88 Lakhs (35.94%) over the period. Despite the increase in revenue in the current fiscal year, there is a notable decline in the overall profitability of the Company. This decline in PBT is primarily attributed to one-time commission and consultancy expenses incurred in FY 2022-23, which were not present in FY 2021-22 and are not expected to recur in the future. Additionally, the company experienced a loss due to foreign exchange fluctuations during the current fiscal year.

Total Tax Expenses: The total tax expense for FY 2022-23 increased to ₹33.85 Lakhs as against ₹34.74 Lakhs in the FY 2021-22. This increase was mainly due to increase in deferred tax expenses in the current fiscal year.

Profit/ (Loss) After Tax: The restated Profit After Tax (PAT) for FY 2022-23 declined to ₹28.30 Lakhs, compared to ₹62.29 Lakhs in FY 2021-22. This decrease was primarily due to the reduction in Profit Before Tax (PBT) as explained earlier.

AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:

1. ***Unusual or infrequent events or transactions***

   Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. ***Significant economic changes that materially affected or are likely to affect income from continuing operations.***

   There are no significant economic changes that may materially affect or likely to affect income from continuing operations. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

3. ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

   Apart from the risks as disclosed under Section "***Risk Factors***" beginning on page 24 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. ***Expected Future changes in relationship between costs and revenues***

   Our Company's future costs and revenues will be determined by demand/supply situation, inflation, Government Policies and Taxation and Currency fluctuations.

5. ***Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices***

   Changes in revenue in the last financial years are as explained in the part "Comparison of the Financial Performance" of above.

6. ***Total turnover of each major industry segment in which our Company operates***

   The Company is mainly engaged in EPCC services for a wide range of industries, including Oil and Gas, Food processing, Pharma, Metals among others across Electrical, Instrumentation, Automation, Fire Protection, Modular Substation and Project Execution. Therefore, there are no separate reportable segments.

7. ***Status of any publicly announced New Products or Business Segment***

   Our Company has not announced any new product other than disclosed in this Draft Red Herring Prospectus.

8. ***Seasonality of business***

   Our business is not seasonal in nature.

9. ***Competitive conditions***

Competitive conditions are as described under the Chapters "***Industry Overview***" and "***Our Business***" beginning on page 109 and 130 respectively of the Draft Red Herring Prospectus.

10. ***Details of material developments after the date of last balance sheet i.e. September 30, 2024***

Except as mentioned in this Draft Red Herring Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

SECTION X: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no pending (i) criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 (five) FYs including outstanding action; (iv) outstanding claims related to direct or indirect taxes; or (v) other pending litigation as determined to be material by our Board as per the materiality policy adopted by our Board ("Materiality Policy") in each case involving our Company, Promoters, Directors and the Group Companies ("Relevant Parties").

For the purpose of material litigation in (v) above, our Board in its meeting held on December 16, 2024 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("Materiality Policy"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than (i), (ii), (iii) and (iv) mentioned above, will be considered material if the aggregate amount involved exceeds 10% of the Profit After Tax as per the latest Restated Financial Statements.

It is clarified that pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities), unless otherwise decided by the Board, shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding 5% of the total trade payables as on the date of the latest Restated Financial Statements included in this Draft Red Herring Prospectus, shall be considered as 'material'. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("MSME"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.
Our Company does not have any subsidiaries.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

(a) Criminal proceedings against the Company

Except as mentioned below, there are no outstanding criminal proceedings initiated against the Company.

Case No	Cr. Complaint (O)/90/2021
Petitioner	Ashish Kumar Gupta
Respondent	Leapfrog Engineering Services Pvt. Ltd.
Court/ Authority	DJ Building
Case Details	As per the representation, the Company is not aware of this case as it has not received any notice.
Case Status	This case is Pending.
Amount involved	Not Available
Next Date	Not Available
Case Stage	Hearing.

(b) Criminal proceedings filed by the Company

There are no outstanding criminal proceedings initiated by the Company.

(c) Actions by statutory and regulatory authorities against the Company

There are no outstanding actions by statutory or regulatory authorities initiated against the Company.

(d) Tax Proceedings:

(i) Direct Tax:

A.Y.	Section Code	Date of Demand	Amount	Particular
2019-20	143(1)(a)	28-Feb-2020	2,73,410	A demand was raised against the company vide demand reference number 2019201937116603794C under section 143(1)(a) for the assessment year 2019-20 on 28th February 2020, for which the company submitted a response via transaction ID FOS003526110350 on 12th December 2023 disagreeing with demand (either in full or part) for an amount of Rs.2,17,130/-. The matter is still pending.
Total			**2,73,410**	

Note- The company has received a letter for recovery of demand vide notice / communication reference ID 100049292341, DIN ITBA/RCV/F/17/2022-2023/1043492765(1) for the assessment year 2018-19, Issued on 20th June 2022 for the financial year 2017-18 for amount involving Rs.2,69,960/-. The company has submitted the required response.
The company has received a letter vide notification communication reference ID 100049314375, DIN ITBS/RCB/F/17/2022-23/1043511043(1) for the assessment year 2019-20 And Financial year 2018-19 on 22th June,2022 for an amount involving Rs.1,60,850/-. However, the company has not submitted any response.

(ii) Indirect Tax:

Date of Demand	Demand ID	Integrated Tax	Central Tax	State/UT Tax	Particulars
22/12/2023	ZD2912230658825	17,54,117	7,05,455	7,66,467	A Demand was raised against the company vide Notice/Demand ID ZD2912230658825 on 22/12/2023 for an amount involving Rs. 32,26,039/-. An intimation (DRC 01A) vide Reference number ZD290523017103S, dated 20th May, 2023 was issued under section 73 of the GST Act, 2017, for which the Due date to reply was 20th June, 2023. Based on the reply filed by the company from time to time either through mails or in person the Office of the Assistant Commissioner of Commercial Taxes issued a Show cause notice under section 73/ 74 and GST DRC 01 of the GST ACT 2017 on 23rd August 2023 for the financial year 2017-18, for which the due date to reply was 21st September 2023. the Assistant Commissioner of the Commercial taxes (Karnataka) Passed an Assessment order and GST DRC07 vide order number ZD2912230658825 on 22nd December, 2023 demanding an amount of Rs.32,26,039/-.

Date of Demand	Demand ID	Integrated Tax	Central Tax	State/UT Tax	Particulars
					Subsequently, the Company voluntarily made a payment of amount of Rs.1,17,713/- (interest-103569+penalty- 14144) vide debit entry number DC2903240021973 on 7th March 2024 by Cash. The adjudication order dated 22-12-2023 (Ref No. ZD2912230658825) issued by ACCT (Audit) established a tax liability of Rs. 32,26,039 for the registered taxpayer, LESL, who has deposited Rs. 35,32,692, resulting in an excess payment concerning CGST; the company is pursuing a refund for this excess amount, while a remaining liability of Rs. 1,37,313 was noted due to incorrect inter-head allocation; all interest and penalty obligations have been settled via DRC-03 ARN: AD2903240105476 on 07-03-2024, and late fees for GSTR 9 were discharged during its filing. As on date there is no outstanding liability available with respect to reference no. ZD2912230658825, However the outstanding demand of Rs.32,26,039 is reflecting in the GST Portal.
16/04/2024	ZD2904240359147	30,94,380	3,49,114	3,52,426	A Demand was raised against the company vide Notice/Demand ID ZD2904240359147 on 16/04/2024 for an amount involving Rs. 37,95,920/-. An intimation (DRC 01A) vide Reference number ZD291223057691A, dated 20th December, 2023 was issued under section 73 of the GST Act, 2017, for which the Due date to reply was 26th December, 2023. Based on the reply filed by the company from time to time either through mails or in person, the Office of the Assistant Commissioner of Commercial Taxes issued Show cause notice under section 73/ 74 and GST DRC 01 of the GST ACT 2017 on 30th December 2023 for the financial year 2018-19 for which the due date to reply was 05th February 2024. The office of the Assistant Commissioner of Commercial taxes (Karnataka) Passed an Assessment order and GST

Date of Demand	Demand ID	Integrated Tax	Central Tax	State/UT Tax	Particulars
					DRC07 vide order number ZD2904240359147 on 16/04/2024 demanding an amount of Rs.37,95,920 /- (Including interest). The Company has already paid Rs.14.32 Lakh as discharge of partial liability and preferred an Appeal for an amount of Rs.11.94 Lacs vide Form GST DRC- 07 ADJ- /2023-24/ASSIGNMENT NO-274093431 Dated 13/04/2023. 10% of the pre-deposit of Rs.1.15 Lacs has been deposited through DRC -03 vide ARN: AD2909240142723 dated 18-09-2023.
07/05/2024	ZD290524014512M	15,32,705	2,60,510	2,60,510	A Demand was raised against the company vide Notice/Demand ID ZD290524014512M on 07/05/2024 for an amount involving Rs.20,53,725/- for FY 2019-20. An intimation (DRC 01A) vide Reference number ZD290224009563I, dated 06th February, 2024 was issued under section 73 of the GST Act, 2017, for which the Due date to reply was 22nd February, 2024. Since no replies were filed, the commercial tax officer, Bangalore issued a show cause notice under section 73/ 74 and GST DRC-01 vide reference number ZD290224069015H on 28th February 2024, for which the reply due date was 28th March 2024. However, upon non -receipt of response from the company, the department has issued a reminder vide reference number ZD2903240768514 on 28th March 2024. Subsequently, the commercial tax officer, Bangalore has passed an assessment order and GST DRC-07 vide order number ZD290524014512M on 7th May 2024. The matter is pending.
14/08/2024	ZD2908240532159	51,40,934	3,61,659	3,62,013	A Demand was raised against the company vide Notice/Demand ID ZD2908240532159 on 14/08/2024 for an amount involving Rs.58,64,606/- for FY

Date of Demand	Demand ID	Integrated Tax	Central Tax	State/UT Tax	Particulars
					2019-20. An intimation (DRC 01A) vide Reference number ZD2905240490882, dated 17th May 2024 was issued under section 73 of the GST Act, 2017, for which the Due date to reply was 21st May 2024. Based on the reply filed by the company from time to time either through mails or in person the office of Assistant Commissioner of commercial tax, Bangalore has issued a show cause notice under section 73/ 74 and GST DRC-01 vide reference number ZD2905240992911 on 28th May 2024, for which the reply due date was 11th June 2024. However, the commercial tax officer, Bangalore has passed an assessment order and GST DRC-07 vide order number ZD2908240532159 on 14th August 2024. Further on receipt of show cause notice the company has discharged the tax liability through DRC-03 vide ARN: AD291224015103M dated 13-12-2024. and the company is seeking waiver for Interest & Penalty vide notification No. 238/32/2024-GST. As on date there is no outstanding liability, However the outstanding demand of Rs.58,64,606 is reflecting in the GST Portal.
10/09/2024	ZD290924024479U	15,05,870	2,35,203	2,35,203	A Demand was raised against the company vide Notice/Demand ID ZD290924024479U on 29th May 2024 for an amount involving Rs. 19,76,276/- for FY 2020-21. An intimation (DRC 01A) vide Reference number ZD2905241073911, dated 29th May 2024 was issued under section 73 of the GST Act, 2017, for which the Due date to reply was 13th June 2024. Since no replies were filed, the commercial tax officer, Bangalore issued a show cause notice under section 73/ 74 and GST DRC-01 vide reference number ZD2906241325854 on 28th June

Date of Demand	Demand ID	Integrated Tax	Central Tax	State/UT Tax	Particulars
					2024, for which the reply due date was 29th July 2024. However, upon non receipt of response from the company, the department has issued a reminder vide reference number ZD290824048365Z on 13th August 2024. Subsequently, the commercial tax officer, Bangalore has passed an assessment order and GST DRC-07 vide order number ZD290924024479U on 10th September 2024.
Total		**1,30,28,006**	**19,11,941**	**19,76,619**	

(e) Other pending material litigations against the Company

Except as mentioned below, there are no outstanding litigations against the company, which have been considered Material by the Company in accordance with the Materiality Policy.

Case No	Comm. Appeal No. 278 / 2022
Appellant	Mega Power Solutions
Respondent	Leapfrog Engineering Services Pvt. Ltd.
Court/ Authority	High Court of Karnataka
Case Details	The Appellant, a sole proprietorship named "Mega Power Solutions," and operated by Mr. P.V. Arvind, specializes in electrical contracts, including design and consultancy services. The Respondent collaborated with the Appellant on various projects since 2005. In 2016, both parties entered into a Memorandum of Understanding (MoU) to jointly execute a project for Safwan Petroleum Technologies Company W.L.L. (SPETCO) at the Jurassic Production Facility in Kuwait. It has been alleged that, the Appellant fulfilled its obligations under the MoU and completed the project to SPETCO's satisfaction, however, the Respondent only paid Rs.2,10,00,000 to the Appellant as net profits despite having received full payment from SPETCO, leading to disputes. Following the arbitration clause in the MoU, the Appellant sought to appoint an arbitrator due to the Respondent's non-compliance. The Hon'ble High Court of Karnataka appointed Justice (Retd.) A.N. Venugopal Gowda as the arbitrator. However, an award issued on August 28, 2019, ruled against the Appellant on maintainability issues. The Appellant's subsequent challenge to this award was dismissed by the City Civil & Sessions Judge in Bengaluru on February 15, 2022. Aggrieved by the said Judgement, the Appellant has filed the present appeal, seeking to overturn both the Judgement and a portion of the arbitral award to ensure justice and equity.
Case Status	This case is Pending.
Amount involved	Rs.8,99,72,278
Next Date	Not Available
Case Stage	Admission.

(f) Other pending material litigations filed by the Company

Except as mentioned below, there are no outstanding litigations initiated by the company, which have been considered Material by the Company in accordance with the Materiality Policy.

Case No	Comm. Appeal No.124/2023
Appellant	Leapfrog Engineering Services Pvt Ltd
Respondent	Mega Power Solutions
Court/ Authority	High Court of Karnataka
Case Details	In the matter concerning the Appellant, it is asserted that a longstanding association with the Respondent commenced in 2005, during which the Respondent provided consultancy services. On August 25, 2016, the Appellant independently secured a Purchase Order from SPETCO for a Jurassic Production Facility in North Kuwait. Following this, on September 6, 2016, both parties executed a Memorandum of Understanding (MoU) to formalize their collaboration on the SPETCO project, detailing mutual obligations. The Appellant alleged that, the Respondent failed to fulfill its commitments under the MoU by not investing an equal share of capital or mobilizing the promised engineering team. The situation escalated when the Respondent abandoned the project at a critical implementation stage on December 25, 2017, subsequently demanding a 50% share of the project despite having completed only approximately 13% of the work. When the Appellant did not acquiesce to these demands, the Respondent initiated arbitration proceedings via CMP 167/2018, leading to A.C. No. 141/2018. The arbitration culminated in an order dated August 28, 2019, dismissing both the arbitration proceedings and the Appellant's counterclaim. The Appellant challenged this decision in Comm. A.S. No. 173/2019, focusing on specific issues; however, the Hon'ble Trial Court upheld the arbitrator's award and dismissed the appeal. Consequently, aggrieved by this outcome, the Appellant has filed the current appeal seeking redress.
Case Status	This case is Pending.
Amount involved	Rs.10,00,00,000
Next Date	Not Available
Case Stage	Admission.

II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS OF THE COMPANY

(a) Criminal proceedings against the Promoters & Directors of the company

Except as mentioned below, there are no outstanding criminal proceedings against the Promoters & Directors of the Company.

Vijay Kumar Sajjan

Case No	Crl.Misc/13/2024
Petitioner	Ashok S/o Sangappa Sajjanshetty
Respondent	Sri vijay Kumar Sajjan
Court/ Authority	District Court Complex- Bidar
Case Details	The Director is not aware of this case as he has not received any notice.
Case Status	This case is Pending.
Amount involved	Not Available
Next Date	Not Available
Case Stage	Summons (Sub Stage – Steps)

(b) Criminal proceedings filed by the Promoters & Directors of the company

There are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

(d) Tax Proceedings:

(i) Direct tax – NIL

(ii) Indirect Tax – NIL

(e) Other pending material litigations against the Promoters & Directors of the company

Except as mentioned below, there are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

Priyashila Prabhav Rao, Prabhav Narasimha Rao and Ors.

Case No	Not Available
Petitioner	Mantri Castles Pvt Ltd
Respondent	Priyashila Prabhav Rao , Prabhav Narasimha Rao and Ors.
Court/ Authority	Not Available
Case Details	The Directors are not aware of this case and not received any notices.
Case Status	This case is Pending.
Amount involved	Not Available
Next Date	Not Available
Case Stage	Not Available

(f) Other pending material litigations filed by the Promoters & Directors of the company

There are no outstanding litigations initiated by the Directors, which have been considered Material by the Company in accordance with the Materiality Policy

III. <u>LITIGATION INVOLVING OUR GROUP COMPANIES OF THE COMPANY</u>

(a) Criminal proceedings against the Group Companies of the company

There are no outstanding criminal proceedings against the Group Companies of the Company.

(b) Criminal proceedings filed by the Group Companies of the company

There are no outstanding litigations filed by the Group Companies

(c) Actions by statutory and regulatory authorities against the Group Companies of the company

There are no outstanding actions by statutory or regulatory authorities initiated against the Group Companies.

(d) Tax Proceedings:

(i) Direct tax:

Greenfire Safety & Controls Private Limited

A.Y.	Section Code	Date of Demand	Amount	Particular
2015-16	143(1)(a)	09-Mar-2017	86,990	A demand was raised against the company vide Demand Reference Number 2016201537073785846C under section 143(1)(a) of the Income Tax Act, 1961 for the assessment year 2015-16 on 9th March 2017 for an amount involving Rs.86,990/-.

2018-19	154	10-Oct-2019	1,030	A demand was raised against the company vide Demand Reference Number 2019201837050006046C under section 154 of the Income Tax Act, 1961 for the assessment year 2015-16 on 10th October 2019 for an amount involving Rs.1,030/-.
Total			**88,020**	

Orbis Technosphere Private Limited

A.Y.	Section Code	Date of Demand	Amount	Particular
2015-16	143(1)(a)	21-Mar-2017	23,010	A demand was raised against the company vide Demand Reference Number 2016201537076324621C under section 143(1)(a) of the Income Tax Act, 1961 for the assessment year 2015-16 on 21st March 2017 for an amount involving Rs.23,010/-.
Total			**23,010**	

(ii) Indirect Tax – NIL

(e) Other pending material litigations against the Group Companies of the company

There are no pending material litigations against the Group Companies.

(f) Other pending material litigations filed by the Group Companies of the company

There are no pending material litigations filed by the Group Companies.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors outstanding amount as on September 30, 2024:

Name	No. of Creditors	Balance as on September 30, 2024 (₹ in lakhs)
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	36	76.25
Total Outstanding dues to Creditors other than MSME#	61	1,033.21

** The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 and as per restated financial statements"*

Material Developments occurring after Last Balance Sheet Date

Except as disclosed in Chapter titled ***"Management's Discussion & Analysis of Financial Conditions & Results of Operations"*** beginning on page 262 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

I. Approvals for the Issue

a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on December 16, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.

b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on December 19, 2024 authorized the Issue.

c) Our Company has received an in-principle approval from the BSE Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.

d) Our company has entered into an agreement dated June 25, 2024 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Integrated Registry Management Services Private Limited for the dematerialization of its shares.

e) Our Company has entered into an agreement dated May 30, 2024 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Integrated Registry Management Services Private Limited for the dematerialization of its shares

f) Our Company's ISIN is **"INE0X6O01027"**.

II. Approvals pertaining to Incorporation of our Company

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Incorporation of "Leapfrog Informatics Private Limited"	U74210KA2005PTC036274	Companies act 1956	Registrar of Companies, Karnataka	May 09, 2005	Till Cancelled
Certificate of Incorporation pursuant to change of name from "Leapfrog Informatics Private Limited" to "Leapfrog Engineering Services Private Limited"	U74210KA2005PTC036274	Companies act 1956	Registrar of Companies, Karnataka	January 23, 2009	Till Cancelled
Certificate of Incorporation consequent upon conversion from Private Limited to Public Company from "Leapfrog Engineering Services Private Limited" to "Leapfrog Engineering Services Limited"	U74210KA2005PLC036274	Companies Act, 2013	Registrar of Companies, Central Processing Centre	June 21, 2024	Till Cancelled

III. Business Related Approvals

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Udyam Registration Certificate	UDYAM-KR-02-0005678	Micro, Small and Medium Enterprises Development Act, 2006	Government of India Ministry of Micro, Small and Medium Enterprises	January 19, 2021	Till Cancelled
Certificate of Importer-Exporter Code	IS 0708006574	Foreign Trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade, Government of India	June 17, 2008	Till Cancelled
Provident Fund Registration	PYBOM0060039000	The Employees Provident Fund Act, 1952	Employees Provident Fund Organization Government of India	July 26, 2010	Till Cancelled
Employees State Insurance Registration	50000412660001099	The Employees State Insurance Act, 1948	Employees State Insurance Corporation, Government of India	December 22, 2010	Till Cancelled
Shop & Establishment Certificate	30/MAR/CE/0001/2009	Shops and Commercial Establishments Act. 1961	Government Of Karnataka Department of Labour	August 21, 2009	December 31, 2028
Class 1 Electrical Contractor License	1CL188542BNG	Electricity Act, 2003	Department of Electrical Inspectorate	January 01, 2025	December 31, 2025

IV. Quality Related Approvals

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Registration of ISO 9001:2015 for Design, Engineering, Integration & Supply, Installation & Commissioning Servicing for Electrical, Automation, Instrumentation, Fire & Gas System and Modular Structures.	IND.24.1264/QM/U	Quality Management System	Bureau Veritas Certification Holding SAS- UK Branch	August 29, 2024	August 28, 2027

V. Tax Related Approvals

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Permanent Account Number [PAN]	AABCL1610R	Income Tax Act, 1961	Income Tax Department	July 03, 2024	Till cancelled
Tax Deduction Account Number [TAN]	BLRL02759B	Income Tax Act, 1961	Income Tax Department	July 18, 2024	Till Cancelled
Goods and Service Tax (Karnataka)	29AABCL1610R1Z9	Goods and Services Act, 2017	Goods and Services Tax Department	July 09, 2024	Till Cancelled
Goods and Service Tax (Gujrat)	24AABCL1610R2ZI	Goods and Services Act, 2017	Goods and Services Tax Department	November 08, 2024	Till Cancelled

Name of Registration	Registration/ License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Professional Tax Certificate of Registration	312160793	Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Income Tax Department	May 13, 2011	Till Cancelled

VI. Intellectual Property Related Approvals

Trademark	Registration No/ Application No	Class of Registration	Trademark Type	Date of Issue/ Application	Valid Upto	Status
LeapFrog	2479976	42	Device	February 18, 2013	--	Opposed
Leapfrog	6123648	37	Word	September 25, 2023	--	Objected
leapfrog Engineering Services	6806749	37	Device	January 16, 2025	--	Formalities Chk Pass

VII. Material Licenses/ Approvals/Permission for which applications have been made by our Company but not received and/or yet to be applied by our Company

Nil

VIII. Material Licenses/ Approvals/Permission which are required but not yet applied for by our Company

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. The Fresh Issue and the offer for sale of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by a resolution by the Board of Directors passed at their meeting held December 16, 2024 on under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the members and such other authorities as may be necessary.

   Selling shareholder has confirmed and authorised the transfer of proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name	Type	Authorization Letter date	No. of Equity Shares Held	% of pre-issue paid-up equity share capital	No. of shares offered by OFS	% of pre-issue paid-up equity share capital
Prabhav Narasimha Rao	Promoter Director	December 13, 2024	4,76,28,000	44.44%	38,88,000	3.63%

   Selling Shareholder has confirmed that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

2. The Fresh Issue of Equity Shares in terms of this Draft Red Herring Prospectus has been authorized by the shareholders by special resolution at the Extra Ordinary General Meeting held on December 19, 2024 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.

3. Our Company has received In-principal approval from BSE vide their letter dated [●] to use the name of BSE in this Draft Red Herring Prospectus for listing of the Equity Shares on SME Platform of BSE. BSE Limited is the Designated Stock Exchange.

4. Our Board has approved the Draft Red Herring Prospectus through its resolution dated February 04, 2025.

Confirmation:

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

- Our Company, selling shareholder, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

- None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

- Our Company is an ***"Unlisted Issuer"*** in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.

Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:
  - Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
  - Neither our promoters, nor any directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board
  - Neither our Promoter nor any of our directors is declared as Fugitive Economic Offender
  - Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter nor our directors, are Wilful Defaulters or Fraudulent Borrowers.

- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital would be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the ***SME Platform of BSE Limited***.

We further confirm that:

i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.

ii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

iii. In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Book Running Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

    However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

    Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the Book Running Lead Manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

    Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Book Running Lead Manager and the SME Platform of BSE.

    Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus shall also be furnished to the SEBI in a soft copy.

iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [●] with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE.

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE, which are as under:

❖ ***Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.***

Our Company is incorporated under the Companies Act, 1956 in India

❖ ***Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.***

The post issue paid up capital (Face Value) of the company will be ₹ [●] crores. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25.00 crores.

❖ ***Net worth of at least Rs. 1 crore for 2 preceding full financial years:***

As per restated financial statement, the net-worth of the company is ₹ 21.71 crores as on March 31, 2024 and ₹ 5.32 crores as on March 31, 2023. So, the company has fulfilled the criteria of having net-worth of at least ₹1.00 crores for 2 preceding full financial years. The details are as mentioned below:

₹ in Lakh

Details	31-03-2024	31-03-2023
Paid-up share capital	48.00	48.00
All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation	2,123.03	483.76
Total	**2,171.03**	**531.76**

❖ ***Net Tangible Assets should be ₹ 3 crores in last preceding (full) financial years***

As per restated financial statement, the net tangible assets of the company are ₹ 21.71 crores as on March 31, 2024. So, the company has fulfilled the criteria of having net tangible assets of at least ₹3.00 crores in last preceding full financial years. The details are as mentioned below:

₹ in Lakh

Details	31-03-2024
Net Assets	2,171.03
Less: Intangible Assets	18.58
Net Tangible Assets	**2,152.45**

"net tangible assets" mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) or Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India;

❖ ***Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years or In case it has not completed its operation for three years then the company/partnership/proprietorship/LLP should have been funded by Banks or financial institutions or Central or state government or the group company should be listed for at least two years either on the main board or SME board of the Exchange.***

Our company was incorporated on May 09, 2005 and having track record of more than 3 years.

❖ ***Earnings before Interest, Depreciation and Tax: The company should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.***

The Issuer Company is having operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date. So, the company has fulfilled this criterion. The details are as mentioned below:

₹ in Lakh

Details	31-03-2024	31-03-2023	31-03-2022
Net Profit as Restated	1,639.27	28.30	62.29
Add: Depreciation	58.72	19.45	11.20
Add: Interest on Loan	179.52	138.92	208.27
Add: Income Tax	597.83	33.85	34.74
Less: Other Income	502.27	120.02	69.76
EBITDA (Operating Profit)	**1,973.07**	**100.51**	**246.74**

❖ ***Leverage ratio of the company is not more than 3:1***

As per restated financials, the leverage ratio (Debt Equity ratio) of our company is not more than 3:1. The details are as mentioned below:

(Amount ₹ in Lakhs, except ratio)

Particulars	30-09-2024
Total Borrowings (Debt)	1,796.85
Total Net Worth (TNW) (Shareholders fund)	2,606.48
Debt Equity Ratio (Total Borrowing/TNW)	**0.69**

- **Disciplinary action:** We hereby confirm that;

  - There is no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

  - The Promoter(s) or directors are not the promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and there is no applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.

  - Directors are not disqualified/ debarred by any of the Regulatory Authority.

- **Default:** There are no pending defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by our company, promoters/ promoting company(ies), Subsidiary Companies.

- **Name Change: In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name or The activity suggesting name should have contributed to at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full financial year.**

  The company has not changed its name in last one year apart from change of status of company from Private to Public.

- **The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.**

  The Company is in compliance with the requirements of the Companies Act, 2013, w.r.t. the composition of the Board of the Company at the time of seeking in-principle approval for Draft Red Herring Prospectus and shall be in continuous compliance.

- **Other Requirements:**

  i. The Issuer Company has a live and operational website i.e., www.lesgroup.in

  ii. 100% of the Promoters' shareholding in the Company is in Dematerialised form.

  iii. Our Company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated June 25, 2024, and National Securities Depository Limited (NSDL) dated May 30, 2024, for establishing connectivity.

  iv. There has not been any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

  v. The Net worth computation has been calculated as per the definition given in SEBI (ICDR) Regulations.

  vi. The Company has not been referred to NCLT under IBC.

  vii. There is no winding up petition against the company, which has been admitted by the court.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME platform. BSE is the Designated Stock Exchange.

- Our Company has entered into an agreement dated May 30, 2024 with NSDL and agreement dated June 25, 2024 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.

- The entire pre-Issue share capital of our Company are fully paid-up and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The Equity Shares held by the Promoters are dematerialized.

As per Regulation 230 (2) of the SEBI ICDR Regulations, our Company has ensured that:

- The amount for general corporate purposes, as mentioned in objects of the issue in the Draft Red Herring Prospectus does not exceed twenty-five per cent of the amount being raised by our Company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT AND EACH OF THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER AND THE SELLING SHAREHOLDER DISCHARGES THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATION 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI ICDR REGULATION, 2018.

THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

   A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

C. THE MATERIAL DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – ***NOT APPLICABLE***

8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – ***NOTED FOR COMPLIANCE***

9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

10. WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

    A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

    B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME PLATFORM OF BSE LIMITED.

(1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

(2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

(3) WE CONFIRM THAT THE ABRIDGED DRAFT RED HERRING PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 - ***NOTED FOR COMPLIANCE***.

(4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

(5) THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - ***NOT APPLICABLE***.

(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE- ***NOTED FOR COMPLIANCE***.

DISCLAIMER FROM OUR COMPANY, THE SELLING SHAREHOLDER AND THE BOOK RUNNING LEAD MANAGER

Our Company, the selling shareholders and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information, including our Company's website, www.lesgroup.in, or the website of any affiliate of our Company, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholder, nor their affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by him through the Offer for Sale.

CAUTION

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the BRLM (Finshore Management Services Limited), the Selling Shareholder and our Company on December 26, 2024 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, BRLM and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

The Selling Shareholder, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and its respective portion of the Offered Shares, and the Selling Shareholder, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

DISCLAIMER CLAUSE OF THE SELLING SHAREHOLDER

The Selling Shareholder will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Red Herring Prospectus in relation to itself and its respective portion of the offered shares.

Note: Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Group Company, the Selling Shareholder, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in ***Bangalore, Karnataka*** only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE).

BSE Limited ("BSE") has vide its letter dated [●] given permission to **"**Leapfrog Engineering Services Limited**"** to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprises platform ("SME platform") the company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. BSE does not in any manner: -

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
ii. warrant that this company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company.
iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the company and investors are informed to take the decision to invest in the equity shares of the company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the company is determined by the company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

The company has chosen the SME platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE Limited. Our Company has obtained In-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest and each of the Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).
Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

FILING

The Draft Red Herring Prospectus is being filed with BSE Limited, at P.J. Towers, Dalal Street, Mumbai – 400 001.

After getting in-principal approval from BSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Bengaluru, Karnataka.

A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the prospectus.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under Section 447 of the Companies, Act 2013.

CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Selling Shareholder, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Draft Red Herring Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations 2018, **M/S Rao Associates,** Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filling with Roc.

EXPERTS OPINION

Except for the reports in the Section, ***"Statement of Possible Tax Benefits"* and *"Financial Statements as Restated"*** on page no. 104 and page no. 202 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor respectively; our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Except as stated under Section titled ***"Capital Structure"*** beginning on page no. 72 of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue. Further, we are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS

Since this is the initial public Issuing of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this Draft Red Herring Prospectus. This is the initial public Issuing of our Company's Equity Shares

PERFORMANCE VIS-A-VIS OBJECTS–PUBLIC/RIGHT ISSUE OF OUR COMPANY

Except as stated under Section titled ***"Capital Structure"*** beginning on page 72 of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue.

PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF LISTED SUBSIDIARIES/LISTED PROMOTERS

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters as on date of this Draft Red Herring Prospectus.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

OPTION TO SUBSCRIBE

Equity Shares being issued through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA OF THE EQUITY SHARES

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company has appointed **"Integrated Registry Management Services Private Limited"** as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement dated December 30, 2024 amongst the Registrar to the Issue and our Company and Promoter (the Selling Shareholder) provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Sneha Hegde, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Sneha Hegde
Leapfrog Engineering Services Limited
No 496, Chaithanya Dhriti Rudresh, 6th Main,
8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore,
Bangalore South, Karnataka, India,560076
Contact No: +91 78994 81340
Email ID: cs@lesgroup.in
Website: www.lesgroup.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

The Selling Shareholder has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of their respective portion of the Offered Shares.

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor compliant during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters.

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

The Company has not sought for any exemptions from complying with any provisions of securities laws.

PRICE INFORMATION OF LAST 10 (TEN) ISSUED HANDLED BY THE BOOK RUNNING LEAD MANAGER

Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:

Sr. No.	***Issuer Name***	***Issue Size (₹ in Cr.)***	***Issue Price (In ₹)***	***Listing Date***	***Opening price on listing date (In ₹)***	***+/- % change in closing price, [+/- % change in closing benchmark] 30th calendar days from listing***	***+/- % change in closing price, [+/- % change in closing benchmark] – 90th calendar days from listing***	***+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar days from listing***
1	Alphalogic Industries Limited (BSE SME)	12.88	96/-	14/07/2023	96.00	84.32 [-1.12]	209.69 [0.62]	136.67 [8.06]
2	Holmarc Opto-Mechatronics Limited (NSE EMERGE)	11.40	40/-	25/09/2023	65.25	181.63 [-2.00]	166.38 [8.51]	125.38 [12.31]
3	Presstonic Engineering Limited (NSE EMERGE)	23.31	72/-	18/12/2023	140.00	146.11 [2.87]	69.51 [2.82]	59.44 [9.56]
4	HRH Next Services Limited (NSE EMERGE)	9.57	36/-	03/01/2024	41.00	18.47 [0.84]	-15.83 [4.39]	-11.11 [11.59]
5	Mayank Cattle Food Limited (BSE SME)	19.44	108/-	05/02/2024	116.00	4.68 [2.71]	22.22 [2.99]	83.15 [12.90]
6	Sylvan Plyboard (India) Limited (NSE EMERGE)	28.05	55/-	01/07/2024	66.00	107.09 [2.96]	70.09 [8.44]	52.73 [-1.36]
7	Solve Plastic Products Limited (NSE EMERGE)	11.85	91/-	21/08/2024	102.00	-32.20 [2.61]	-47.86 [-5.31]	N. A.
8	Travels & Rentals Limited (BSE SME)	12.24	41/-	05/09/2024	55.00	281.00 [-0.62]	160.25 [-1.65]	N. A.
9	Dhanlaxmi Crop Science Limited (NSE EMERGE)	23.80	55/-	16/12/2024	104.50	17.00 [-6.05]	N. A.	N. A.
10	Indobell Insulations Limited (BSE SME)	10.14	46/-	13/01/2025	87.40	N. A.	N. A.	N. A.

Status as on 03-02-2025

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.

2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.

3. the benchmark index is SENSEX where the securities have been listed in BSE SME/Startups and Nifty where securities have been listed in NSE Emerge.

4. N.A. – Period not completed

Summary statement of Disclosure:

Financial Year	***Total no. of IPOs***	***Total Funds Raised (₹ in Cr.)***	***Nos. of IPOs trading at discount – 30th calendar day from listing day***			***Nos. of IPOs trading at premium – 30th calendar day from listing day***			***Nos. of IPOs trading at discount -180th calendar day from listing day***			***Nos. of IPOs trading at premium – 180th calendar day from listing day***		
			Over 50%	***Between 25-50%***	***Less than 25%***	***Over 50%***	***Between 25-50%***	***Less than 25%***	***Over 50%***	***Between 25-50%***	***Less than 25%***	***Over 50%***	***Between 25-50%***	***Less than 25%***
2021-22	7	73.34	N. A	1	1	3	1	1	1	1	1	2	1	1
2022-23	12	117.85	N. A	3	3	4	N. A	2	2	2	2	4	N. A	2
2023-24	5	76.59	N. A	N. A	N. A	3	N. A	2	N. A	N. A	1	4	N. A	N. A
2024-25	5	86.09	N. A	1	N. A	2	N. A	1	N. A	N. A	N. A	1	N. A	N. A

Status as on 03-02-2025

The Lead Manager associated with the Offer have handled ***29 SME*** *public issues and* ***Nil Main Board*** *public issue during the current financial year and three financial years preceding the current Financial Year, out of which 7 SME public issues closed below the issue price on the listing date.*

Type	**FY 2024-25***	**FY 2023-24**	**FY 2022-23**	**FY 2021-22**	**Total**
SME IPO	5	5	12	7	29
Main Board IPO	-	-	-	-	-
Total	**5**	**5**	**12**	**7**	**29**
Issue closed Below Issue Price on Listing Day	-	-	5	2	7
Issue closed above Issue Price on Listing Day	5	5	7	5	22

** Status as on 03-02-2025*

TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com.

SECTION XI: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the prospectus, the abridged Draft Red Herring Prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

AUTHORITY FOR THE PRESENT ISSUE

The present Public Issue of up to 4,10,64,000 equity shares includes a Fresh issue of 3,71,76,000 Equity shares and an offer for sale by the Promoter Selling Shareholder of 38,88,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 16, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on December 19, 2024 in accordance with the provisions of Sections 23(1)(a), 62(1)(c) other applicable provisions, if any, of the Companies Act, 2013. The Offer for Sale has been authorized by the Promoter Selling Shareholder by her authorization letter dated December 13, 2024.

Name	Type	No. of shares offered by OFS
Prabhav Narasimha Rao	Promoter Director	38,88,000

RANKING OF EQUITY SHARES

The Equity Shares being Issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank ***pari-passu*** in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to Section titled, ***"Description of Equity Shares and Terms of the Articles of Association"***, beginning on page 342 of this Draft Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, for further details in relation to dividends, please refer to Sections titled, ***"Dividend Policy"*** and ***"Description of Equity Shares and Terms of the Articles of Association"***, beginning on page 201 and 342 respectively, of this Draft Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE

The face value of the share of our company is ₹1/- per equity share and Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Price Band and the minimum Bid Lot will be determined by our Company and the Selling Shareholder in consultation with the BRLM and advertised in all editions of an English national daily newspaper [●], all editions of a Hindi national daily newspaper [●], and Kannada edition of [●], a regional newspaper each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid Forms available on the websites of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

As on the date of filing this Draft Red Herring Prospectus, there shall be only one denomination of Equity Shares. The Issue Price shall be determined by our Company in consultation with the BRLM and is justified under the chapter titled ***"Basis of Issue Price"*** beginning on page 97 of this Draft Red Herring Prospectus.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, ***"Description of Equity Shares and Terms of the Articles of Association"***, beginning on page 342 of this Draft Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs.1,00,000 (Rupees One Lakh) per application.

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Draft Red Herring Prospectus will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Bidders in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within two (2) working days of closure of issue.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholder in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the Stock Exchange.

PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

EVENTS	INDICATIVE DATES
Anchor Investor Issue Opens/Closes On	[●]
Bid/Issue Opens On	[●]
Bid/Issue Closes On	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account**	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

Notes:

- *Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
- *In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be opened after at least three working days from the date of filing the prospectus with the Registrar of Companies.*
- *In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three (3) working days and not more than ten (10) working days.*
- *In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the Red Herring Prospectus, for a minimum period of three (3) working days, subject to the provisions of sub-regulation (1).*
- *In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar unforeseen circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the Red Herring Prospectus, for a minimum period of one (1) working day, subject to the provisions of sub-regulation 266(1) of SEBI (ICDR) Regulation, 2018.*

The above time table is indicative and does not constitute any obligation on our Company and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three (3) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. Further, the SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

** In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount,

whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for IPOs. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue has been made under UPI Phase III, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non- adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Submission of Bids

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

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

i. A standard cut-off time of 4.00 p.m. for uploading of bids received from QIBs and Non-Institutional Bidders.
ii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual Bidders, which may be extended up to such time as deemed fit by BSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchange. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid Form, for a particular Bidder, the details of the Bid file received from the Stock Exchange may be taken Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Bidder, the details as per the file received from BSE may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

MINIMUM SUBSCRIPTION

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of Draft Red Herring Prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable laws and regulations.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchange where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

In accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of **[●]** equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIS

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FPIs, FIIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the Section titled ***"Capital Structure"*** beginning on page 72 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfer and transmission and on their consolidation/splitting of Equity Shares. For further details, please refer to the Section titled, ***"Description of Equity Shares and Terms of the Articles of Association"***, beginning on page 342 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE Limited.

Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

MIGRATION TO MAIN BOARD

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. BSE has reviewed its criteria for Migration of SME Companies to BSE Main Board dated November 24, 2023 vide notice no. 20231124-55 effective from January 01, 2024 as follows:

- **Paid up capital and market capitalization:** Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores. (Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
- **Promoter holding:** Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
- **Financial Parameters:** The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange. The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years. • Track record of the company in terms of listing/ regulatory actions, etc: The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
- **Regulatory action:** No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. No Debarment of company, promoters/promoter group, subsidiary company by SEBI. No Disqualification/Debarment of directors of the company by any regulatory authority. The applicant company has not received any winding up petition admitted by a NCLT.
- **Public Shareholder:** The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
- **Other parameters like No. of shareholders, utilization of funds:** No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. The applicant company has no pending investor complaints. Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.

Notes:
1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Guidelines / Regulations issued by statutory authorities or for any reason in the interest of Investors and market integrity. The Exchange may also reject the application if the company is found not fulfilling internal BSE standards.
6. Companies that have approached for listing on any stock exchange and has been denied listing for any reason whatsoever or has chosen to withdraw its application from the Exchange, they may reapply for listing after a minimum period of 6 months (6 months after date of rejection/ withdrawal). If rejected for a second time, the company would not be eligible to apply again.
7. BSE decision w.r.t admission of securities for listing and trading is final.
8. BSE has the right to change / modify / delete any or all the above norms without giving any prior intimation to the company.
9. The companies are required to submit documents and comply with the extant norms.
10. The company shall use BSE's reference regarding listing only after the Exchange grants its in-principle listing approval to the company

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE Limited, wherein M/s. [●] is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing on the SME Platform of BSE Limited. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to Section titled, ***"General Information- Details of the Market Making Arrangements for this Issue"*** beginning on page 61 of this Draft Red Herring Prospectus.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as Deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in ***Bangalore, Karnataka.***

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital would be more than ten crore rupees, issue shares to the public and propose to list the same on the SME Platform of BSE Limited. For further details regarding the salient features and terms of such this Issue, please refer to Sections titled ***"Terms of the Issue"*** and ***"Issue Procedure"*** beginning on pages 299 and 312, respectively, of this draft red herring prospectus.

Initial Public issue of up to **4,10,64,000** equity shares of face value of ₹1/- each ("Equity Shares") of **Leapfrog Engineering Services Limited** ("The Company" or "The Issuer") comprising of up to **3,71,76,000** equity shares of Face Value ₹ 1/- as Fresh Issue of Securities **("Fresh Issue")** and up to **38,88,000** equity shares of Face Value Rs. 1/- as Offer for Sale of Securities **("OFS/Offer for Sale")** for cash at a price of **₹** [●]**/-** per equity share aggregating to **₹** [●] Lakhs ("The Issue"). The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post issue paid up equity share capital of the Issuer Company.

This Issue is being made by way of Book Building Process [(1)]:

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
Number of Equity Shares	Up to **[●]** Equity Shares	Not more than **[●]** Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue Size available for allocation	**[●]**% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of the Net Issue	Not less than 35% of the Issue Size
Basis of Allotment/Allocation if respective category is oversubscribed	Firm Allotment	Proportionate as follows (excluding Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a	Proportionate	Proportionate

Particulars of the Issue	Market Maker Reservation Portion	QIBs	Non – Institutional Investors	Retail Individual Investors
		proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		
Mode of Application	Through ASBA Process Only	Through ASBA Process Only	Through ASBA Process or up to Rs. 5.00 lakhs through UPI for Individual Investors	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialised form.			
Minimum Application Size	**[●]** Equity Shares @ ₹**[●]** each	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000	[●] Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Application Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2,00,000
Trading Lot	**[●]** Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	**[●]** Equity Shares
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.(4) **In case of all other bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form			

*(1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled **"Issue Structure"** beginning on page 308 of this Draft Red Herring Prospectus.*
(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations, 2018.
(3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Notes:
a) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
b) In the event that a Bid was submitted in joint names, the relevant Bidders were required to ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid Form. The Bid Form should contain only the name of the First Bidder whose name appeared as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder was required in the Bid Form and such First Bidder was deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) in regional newspaper where the registered office of the Company is situated.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this Draft Red Herring Prospectus, which our Company will apply for only after Allotment.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in ***Bangalore, Karnataka.***

BID/ISSUE PROGRAMME

EVENTS	INDICATIVE DATES
Anchor Investor Issue Opens /Closes On	[●]
Bid/Issue Opens On	[●]
Bid/Issue Closes On	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account**	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

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

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

i. A standard cut-off time of 4.00 p.m. for uploading of bids received from QIBs and Non-Institutional Bidders.
ii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual Bidders, which may be extended up to such time as deemed fit by BSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical Bid Form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Note: *The above timetable is indicative in nature and does not constitute any obligation on the Company or the Book Running Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the* SME Platform of BSE Limited *are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws.*

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Bidders are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the **"General Information Document"**), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book running Book Running Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to **continue with the UPI Phase II till further notice.** Therefore, the final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by Retail Individual Investors ("**UPI Phase III**"), is prescribed by SEBI vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, ("UPI Streamlining Circular") read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

Further, SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has further reduced the time period for refund of applications money from four days to two days from issue closing date viz. initiation not later than 09.30 am on T+2 day (T is issue Closing Date) and completion before 2.00 pm on T+2 day for fund transfer and completion before 4.00pm on T+2 day for unblocking.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is up to Rs. 5 Lakhs shall use UPI.

Further, as per SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2022/75 dated May 30, 2022. All ASBA applications in Public Issues shall be processed only after the application money is blocked in the investor's bank accounts. The provisions of the circular shall be for all issues opening from September 01, 2022 onwards.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus. Further, our Company and the BRLM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface (UPI)
SEBI has issued the various UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by Retail Individual Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Retail Individual Investors through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue is mandatorily being made under Phase III of the UPI Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023("UPI Streamlining Circular"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

BOOK BUILD ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Book Build Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

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

The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchange.

ISSUE OF EQUITY SHARES IN DEMATERIALISED FORM

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has entered following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on May 30, 2024.

b. We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on June 25, 2024.

c. The Company's Equity shares bear an **ISIN: INE0X6O01027**.

A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

• The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.

• Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

• Names in the Bid Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid Form or Revision Form, it is liable to be rejected.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

- The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus will be available at the offices of the BRLM, Registrar to the Offer, the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, an electronic copy of the Application Forms will also be available for download on the website of the Company (www.lesgroup.in), BRLM (www.finshoregroup.com) and Stock Exchange, i.e., BSE (www.bseindia.com), at least one day prior to the Issue Opening Date.

- **All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process.** The Retail Individual Investors can additionally Bid through the UPI Mechanism.

- **Anchor Investors are not permitted to participate in the Issue through the ASBA process.** For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM.

- RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid Form and the Bid Form that does not contain the UPI ID are liable to be rejected.

- ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

- SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. All ASBA Bidders must provide either -
  bank account details and authorizations to block funds in the ASBA Form; or
  the UPI ID, in case of Retail Individual Investors applying up to ₹2,00,000 and Non-Institutional Portion bidding for more than ₹2,00,000 and up to ₹5,00,000, as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

- Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection.

- ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

- Bidders shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Anchor Investor**	White*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue*

** Excluding electronic Application Form.*
*** Electronic Bid Forms will also be available on the websites of the Company (www.lesgroup.in), BRLM (www.finshoregroup.com) and Stock Exchange, i.e., BSE (www.bseindia.com). Same Application Form applies to all ASBA Bidders/ Retail Individual Bidders applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).*

Designated Intermediaries (other than SCSBs) after accepting Bid Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s). Bidders shall only use the specified Bid Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

   a) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such
   b) time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

SUBMISSION AND ACCEPTANCE OF BID FORMS

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Form to any of the following intermediaries (Collectively called – Designated Intermediaries")

Sl No.	Designated Intermediaries
1	An SCSB, with whom the bank account to be blocked, is maintained
2	A syndicate member (or sub-syndicate member)
3	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

- Bidders shall only use the specified Bid Form for making an Application in terms of the Draft Red Herring Prospectus.

- The Bid Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

- Retails investors submitting application with any of the entities at (1) to (5) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Form.

- The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the Bid Form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs:	After accepting the Bid Form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchange shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchange bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchange and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchange platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

WHO CAN BID?

Each Bidder should check whether it is eligible to apply under applicable law rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

i. Indian nationals resident in India who are competent to contract under the Indian Contract Act,1872, in single or joint names (not more than three);
ii. Applications belonging to an account for the benefit of a minor (under guardianship);
iii. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Application by HUFs will be considered at par with Applications from individuals;
iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
v. QIBs;
vi. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Offer;
vii. Qualified Foreign Investors subject to applicable law;
viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
x. Limited liability partnerships registered under the Limited Liability Partnership Act,2008;
xi. Insurance companies registered with IRDAI;
xii. Mutual Funds registered with SEBI;
xiii. FPIs other than Category III Foreign Portfolio Investor;
xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
xv. Scientific and/ or industrial research organizations authorised in India to invest in the Equity Shares; and
xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

Applications should not to be made by:

i. Minors (except through their Guardians)
ii. Partnership firms
iii. Foreign Nationals (except NRIs)
iv. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The information below is given for the benefit of the Bidders. Our Company, and the BRLM do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the BRLM is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. **For Retail Individual Bidders:**
   The Application must be for a minimum of **[●]** Equity Shares and in multiples of **[●]** Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs 2,00,000. As the application price payable by the Retail Individual Bidders cannot exceed Rs. 2,00,000, ***they can make Application only up to [●] Equity Shares***.

2. **For Other than Retail Individual Bidders (Non-Institutional Bidder and QIBs**):
   The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs 2,00,000 and in multiples of **[●]** Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

   In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

3. **Minimum Bid Lot: [●]** Equity Shares
   Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

   The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Kannada Edition of Regional newspaper [●], where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three (3) Working Days, subject to the total Bid/ Issue Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of [●], English national newspaper, all editions of [●], Hindi national newspaper and Kannada edition of [●], Regional newspaper of Karnataka, place where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

b) Each Bid Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

c) The Bidder / Bidder cannot Bid through another Bid Form after Bids through one Bid Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".

d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid Form.

e) Upon receipt of the Bid Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid Form, prior to uploading such Bids with the Stock Exchange.

f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

c) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS

The BRLM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the BRLM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to the Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

BID BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Bid/Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY ELIGIBLE NRI'S

Only Bids/Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Bid Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Bidders applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Bid Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Bid Form meant for Non-Residents (blue in colour).

BIDS BY HUFS

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications by individuals.

BIDS BY FPI'S

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

BIDS BY BANKING COMPANIES

In case of Bids/Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefor.
The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBS

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

BIDS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/ 3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

BIDS BY INSURANCE COMPANIES

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the “IRDAI Investment Regulations”) are broadly set forth below:

a) Equity shares of a company: the lower of 10%* of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c) The industry sector in which the investee company belong to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) and (iii) above, as the case may be.

**The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,00,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000.00 million or more but less than ₹ 25,00,000 million.*
Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

BIDS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

BIDS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

1) Anchor Investor Bid Forms will be made available for the Anchor Investors at the offices of the BRLM.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.

5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
- where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but up to 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and

• where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 1 (one) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.

10) Fifty percent of the Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 and other fifty will be locked in for 30 days from the date of Allotment.

11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

ISSUANCE OF ALLOTMENT ADVICE (CAN)

1) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2) The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidder have to compulsorily apply through the ASBA Process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on designated branches of SCSB collecting the Bid Form, please refer the above-mentioned SEBI link.

TERMS OF PAYMENT

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

PAYMENT MECHANISM

The Bidders shall specify the bank account number in their Bid Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Form or for unsuccessful Bid Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be. Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of

In case of resident Anchor Investors: — "[●] – Anchor Account- R"

In case of Non-Resident Anchor Investors: — "[●] – Anchor Account- NR"

b) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
i. the applications accepted by them,
ii. the applications uploaded by them
iii. the applications accepted but not uploaded by them or
iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
(i) The applications accepted by any Designated Intermediaries
(ii) The applications uploaded by any Designated Intermediaries or
(iii) The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Forms to Designated Branches of the SCSBs for blocking of funds:

Sl No.	Details*
1	Symbol
2	Intermediary Code
3	Location Code
4	Application No.
5	Category
6	PAN
7	DP ID
8	Client ID
9	Quantity
10	Amount

**Stock Exchange shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
• Name of the Bidder;
• IPO Name:
• Bid Form Number;
• Investor Category;
• PAN (of First Bidder, if more than one Bidder);
• DP ID of the demat account of the Bidder;
• Client Identification Number of the demat account of the Bidder;
• Number of Equity Shares Applied for;
• Bank Account details;
• Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
• Bank account number.

8. In case of submission of the Bids by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Offer Period.

Withdrawal of Bids

a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

Price Discovery and Allocation

a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Offer Price.

b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer, in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below.

The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

BID QUANTITY	BID AMOUNT (₹)	CUMULATIVE QUANTITY	SUBSCRIPTION
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cutoff Bids are valid Bids and are considered for allocation in the respective categories.

Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Bidder shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Bid Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Bid Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Bid Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Bids are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Bid is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Bidder has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Bid Form is signed by the account holder in case the Bidder is not the account holder.
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account or UPI ID, as applicable) in the Bid Form if you are not a Retail Individual Investor bidding using the UPI Mechanism in the Bid Form and if you are a Retail Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid Form.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Bid Forms are delivered by the Bidders within the time prescribed as per the Bid Form and the Draft Red Herring Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Bid Form for all your application options;
- All Investors submit their applications through the ASBA process only except as mentioned in *SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019* & *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid Form; and
- The Bid Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Bid Form;
- Do not apply on another Bid Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Bid Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Bid Forms to any non-SCSB bank or our Company;
- Do not apply on an Bid Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Bidders);
- Do not fill up the Bid Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Bid Forms in a color prescribed for another category of Bidder; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than one application from one bank account.
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;

Instructions for Completing the Bid Form

The Applications should be submitted on the prescribed Bid Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Form

All Bid Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
- If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Bids Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a Limited Liability Partnership can apply in its own name.
- Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Bid Form.
- GIR number furnished instead of PAN.
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids made using a third-party bank account or using third party UPI ID linked bank account;
- Bids at a price other than the Price of the Issue;
- Bids for number of Equity Shares which are not in multiples of **[●]**;
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus as such, based on common PAN;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Bidder is missing;
- Bid Forms are not delivered by the Bidders within the time prescribed as per the Bid Form, Issue Opening Date advertisement and Draft Red Herring Prospectus as per the instructions in this Draft Red Herring Prospectus and Bid Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids by OCBs;
- Bids by US person other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule

144Aunder the Securities Act;

- Bids not duly signed by the sole Bidder;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/Offer Closing Date, unless extended by the Stock Exchange.
- Inadequate funds in the bank account to block the Application Amount specified in the Bid Form/Bid Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Bidders, other Retail Individual Bidders, not submitted through ASBA process and Applications by Retail Individual Bidders not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Bidders to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Bids not uploaded on the terminals of the Stock Exchange;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid Form;
- Details of ASBA Account not provided in the Bid Form;
- In case of Retail Individual Bidders applying through the UPI mechanism, details of UPI ID, not provided in the Bid Form; etc.

For details of instruction in relation to the Bid Form, Bidders may refer to the relevant section of GID and UPI Circular.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the BSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

a) For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●]. Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b) For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c) For QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

HNI basis: (Example)
Lot size: 1000 shares
Allocable shares as per Prospectus: 75000

No. of Shares applied for (Category wise)	Number of applications received	Total No. of Shares applied in each category	% to total	Proportionate shares available	Allocation per Applicant (Before rounding off)	Allocation per Applicant (After rounding off)	Ratio of allottees to applicants	No. of successful applicants (after rounding off)	Total No. of Shares allocated/ allotted	Surplus / Deficit [14]-[7]
(1)	(2)	(3) = (1*2)	(4)	(5) = 75000 * (4)/100	(6) = (5)/(2)	(7)	(8)	(9)	(10) = (9) * (7)	(11)
1000	30	30000	26.09	19568	652.26	1000	2:3	20	20000	-432
2000	20	40000	34.78	26085	1304.25	1000	FIRM	20	20000	85
						1000	3:10		6000	
3000	15	45000	39.13	29347	1956.46	1000	FIRM	15	15000	347
						1000	14:15		14000	
		115000		75000						0

Allotment Procedure

1. In the event of over subscription in any of the IPO, the lottery system allotment is strictly random and there is absolutely no scope of discretion.
2. Registrar to share the valid data and the reverse application number data with the external auditor, company and the Book Running Lead Manager, before incorporating drawl of lots/lucky numbers in the RTA database
3. Based on the oversubscription in the respective category (i.e., lot size's), the drawl of lots/lucky no(s) to be shared by the Designated Stock Exchange against each ratio.
4. The Registrar incorporates the drawl of lots/lucky numbers in the RTA Data base, as per the following order.
   a. Prepare the Net Valid Data (excluding technical rejections, if any)
   b. Generate each Category wise (lot size wise) Running Serial No. on the following Order
      i. Share Category (i.e., lot size)
      ii. Reverse the Application No. (example appl no 12345678 and reversed to 87654321)
      iii. PAN
   c. If ration is 2: 5, the 2 lucky numbers in the range will be shared by the designated stock exchange
   d. The total no. of applications received in this category/lot size will be segregated into buckets of 5 each.
   e. Every 3rd & 4th application in this bucket will get the allotment from every bucket, assuming that the lucky numbers given by the Designated Exchange are 3 & 4 for this category.
   f. The process needs to be repeated for all the categories wherever oversubscription, the allotment needs to be done on lottery basis/drawl of lots.
5. The registrar needs to tally the allocation for each category wise with the Basis of Allotment approved by designated stock exchange.
6. The Registrar shares the allotment register with the company's appointed auditor to check the drawl of lots/lucky numbers assigned to correct investors and confirm.

Allotment will be made in consultation with the Designated Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as mentioned above

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:

- As per Regulation 253(2) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

"Retail Individual Investor" means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the designated stock exchange.

Issuance of Allotment Advice

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

   The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 (Two) working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 (Two) working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

Instructions for Completing the Bid Form

The Applications should be submitted on the prescribed Bid Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Form is mandatory and applications that do not contain such details are liable to be rejected. Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Form

All Bid Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;

2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Issue Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law.

Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

BASIS OF ALLOTMENT IN THE EVENT OF OVER SUBSCRIPTION

Allotment will be made in consultation BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of Bidders in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  i. Each successful Bidder shall be allotted [●] equity shares; and
  ii. The successful Bidders out of the total Bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

4. If the proportionate allotment to an Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidders in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Bidders applying for the minimum number of Shares.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds Bidders will be treated on the same basis with other categories for the purpose of allocation.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation and in Kannada editions of [●], a regional language newspaper (Karnataka, being the place where the Registered Office of our Company is located)).

In the Pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

OTHER INSTRUCTIONS FOR THE BIDDERS

Joint Bids

In the case of Joint Bids, the Bids/Applications should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder would be required in the Bid Form and such First Bidder would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

A Bidder should submit only one Bid Form. Submission of a second Bid Form to either the same or to the Designated Intermediaries and duplicate copies of Bid Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

IMPERSONATION:

Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:

"Any person who

a) *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

b) *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

c) *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the investors can contact the Compliance Officer of our Company.

NOMINATION FACILITY TO BIDDER

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

NAMES OF ENTITIES RESPONSIBLE FOR FINALIZING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 3 (three) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 2 (two) Working Days of the Issue Closing Date.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated [●] with BRLM. For Further information, please refer section ***"General Information"*** beginning from page no 61 of this Draft Red Herring Prospectus.

b) A copy of prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid Forms submitted by Bidders;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

• no further Offer of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.

• our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Offer, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchange promptly on which the Equity Shares are proposed to be listed; and

• if our Company, in consultation with the BRLM withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an Offer of the Equity Shares our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

Only statements and undertakings which are specifically "confirmed" or "undertaken" by the Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be ***"Statements and Undertakings made by the Selling Shareholder"***. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by him pursuant to the Offer for Sale:

i) The portion of the offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.

ii) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

iii) The portion of the offered Shares have been held by the Selling Shareholder for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.

iv) He is the legal and beneficial owner and has full title of its respective portion of the offered Shares.

v) That he shall provide all reasonable co-operation as requested by our Company and the Lead Manager in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of his portion of the offered Shares.
vi) He will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.

vii) He will deposit his respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.

viii) He shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Offer, except as permitted under applicable law;

ix) That he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;

2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;

3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.

4) The utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

5) The details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the "automatic route", where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholder and the Book Running Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
LEAPFROG ENGINEERING SERVICES LIMITED
(Incorporated Under Companies Act, 1956)

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

PRELIMINARY

Subject as hereinafter provided the Regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 shall apply to the Company.

I. DEFINITIONS AND INTERPRETATION

1. In these regulations—

(a) "The Act" means the Companies Act, 2013,

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

II. SHARE CAPITAL AND VARIATION OF RIGHTS

1. Subject to the provisions of the Act and these Articles, the shares capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further, provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) The Company agrees to issue certificates within fifteen days of the date of lodgment of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgment for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;

(iii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon.

(iv) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(v) Dematerialization of shares:

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other security holders with the details of members/debenture holders/ other securities both in materialized and dematerialized form in any medium a permitted by the Act.
(b) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
(c) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
(d) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 and any other applicable section as amended of the Depositories Act shall apply so far as applicable.

(e) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company on that behalf.

(f) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on the execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (*2*) and (*3*) shall *mutatis mutandis* apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (*i*) The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

6. (*i*) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of
the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered in compliance with the relevant provisions of the Companies Act, 2013 and any other applicable law.

Lien

9. (*i*) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
Every fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares.
(*ii*) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—

- unless a sum in respect of which the lien exists is presently payable; or
- until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (*i*) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (*i*) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(*ii*) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (*i*) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid in installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

- If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- The Board shall be at liberty to waive payment of any such interest wholly or in part.

16. (*i*) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(*ii*) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

17. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

18. (*i*) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(*ii*) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

(c) Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

(d) The common form of transfer shall be used by the Company.

20. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

21. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

22. (i). On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii). Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

23. (*i*) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(*ii*) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

24. (*i*) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

25. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

26. In case of a One Person Company—**NOT APPLICABLE**

i. on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member;
ii. the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;
iii. such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable;

on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.

Forfeiture of shares

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (*i*) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(*ii*) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (*i*) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
(*ii*) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (*i*) A duly verified declaration in writing that the Declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

Capitalization of Profit

38. (*i*) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution;

(b) that such sum be accordingly set free for distribution in the manner specified in clause (*ii*) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (*iii*), either in or towards—
(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
(C) partly in the way specified in sub-clause (*A*) and partly in that specified in sub-clause (*B*);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The board shall give effect to the resolution passed by the company in pursuance of this regulation

39. (*i*) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and(*b*) generally do all acts and things required to give effect thereto.
(ii) The Board shall have power—
(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
(iii) Any agreement made under such authority shall be effective and binding on such members.
(iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

42. (*i*) The Board may, whenever it thinks fit, call an extraordinary general meeting.

ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (*i*) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(*ii*) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

47. *In case of a One Person Company—* **NOT APPLICABLE**

- *the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118;*
- *such minutes book shall be signed and dated by the member;*
- *the resolution shall become effective from the date of signing such minutes by the sole member.*

Adjournment of meeting

48. (*i*) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of a

(v) an adjournment of the business to be transacted at an adjourned meeting.

Voting rights

49. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

51. (*i*) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(*ii*) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

55. (*i*) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(*ii*) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

59. The number of directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The First Directors of the Company are:

1. Prabhav N Rao
2. Priyashaila P Rao

60. (*i*) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(*ii*) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them.

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

iv.

63. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

64. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

65. (*i*) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(i). Subject to the provisions of section 149 and Section 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii). Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

(iii). The Board of Directors, may at its meeting, appoint any individual to be alternate director during the absence of a director (hereinafter referred as original director) for a period of not less than three months from India.

(iv). An alternate director appointed under above Clause shall not hold office as such for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns to India.

(v). Nominee Directors

(a) Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to any Financial Institution or to any other Financial Corporation or Credit Corporation or to any other financing Company or any bank or banking company or body out of any loans granted by them to the Company or so long as such Financial Institution or to any other Financial Corporation or Credit Corporation or to any other financing Company or any bank or banking company or body (hereinafter in this Article referred to as the Corporation) continues to hold Debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporations hall have right to appoint from time to time any person or persons as a Director or Directors Whole time or Non Whole time(which Director or Directors is are herein after referred to as Nominee Directors) on Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

(b) The Board shall have no power to remove from office the Nominee Directors. At the option of the Corporation such Nominee Directors shall not be required to hold any share qualification in the Company.

(c) Also at the option of the Corporation such Nominee Directors shall not be liable to retirement by rotation of Directors Subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

(d) The Nominee Directors so appointed shall hold the office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Directors so appointed in exercise of the said power shall ipso facto vacate such office immediately the money sowing to the Corporation are paid of or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.

(e) The nominee Directors appointed under this Article shall be entitled to receive all Notices of and attend all General Meetings Board Meetings and the meetings of the Committee of which the Nominee Directors are members as also the minutes of such meetings. The Corporation shall been titled to receive all such notices and minutes.

(f) The Company shall pay to the Nominee Directors sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees commission monies or remuneration in relation to such Nominee Directors shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation of such Nominee

Directors in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if and such Nominee directors is an Officer of the Corporation the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

(g) In the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and have such rights as are usually exercised or available to a wholetime Director in the Management of the affairs of the Company. Such Whole time Directors shall be entitled to receive such remuneration fees commission and monies as may be approved by the Corporation.

(vi). Managing Director The Board of Director may from time to time appoint one or more Of their body to the office of Managing Director. The appointment of managing director shall be on such terms and conditions and such remuneration whether by way of salary or participation in one way and partly in another as determine by the Board.

(vii). The Board may pay all expenses incurred in getting up and registering the Company.

Proceedings of the Board

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(*ii*) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67. (*i*) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(*ii*) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

69. (*i*) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

70. (*i*) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(*ii*) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board

71. (*i*) A committee may elect a Chairperson of its meetings.

(*ii*) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

72. (*i*) A committee may meet and adjourn as it thinks fit.

(*ii*) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

73. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being, entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

75. In case of a One Person Company—**NOT APPLICABLE**

a. where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;
b. such minutes book shall be signed and dated by the director;
c. the resolution shall become effective from the date of signing such minutes by the director.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

76. Subject to the provisions of the Act,—

a. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or the chief financial officer so appointed may be removed by means of a resolution of the Board;
b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

77. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

78. (*i*) The Board shall provide for the safe custody of the seal-**NOT APPLICABLE**

(*ii*) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

79. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

80. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

81. (*i*) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(*ii*) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

82. (*i*) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

83. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

84. (*i*) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

85. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

86. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

87. No dividend shall bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law.

Accounts

88. (*i*) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(*ii*) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

89. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

90. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

[*1] Altered vide resolution passed at the Extraordinary General Meeting dated March 13, 2024.

We the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association and respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, address description and occupation if any of the subscriber	Signature of subscriber	Signature of witness and his address description and occupation if any
1) PRABHAV N RAO S/O LATE B NARASIMHA RAO No. 11, Flat # 101, SHANTI PARK APARTMENTS, JAYANAGAR 9TH BLOCK, BANGALORE – 560 069 BUSINESS	SD/-	SD/- P VENKATESH BABU S/0 P. PRASANNA GUPTA No.93/1, II FLOOR, 7TH CROSS, III MAIN, CHAMARAJPET, BANGALORE – 560 018 CHARTERED ACCOUNTANT
2) PRIYASHAILA P RAO W/O PRABHAV N RAO No. 11, Flat # 101, SHANTI PARK APARTMENTS, JAYANAGAR 9TH BLOCK, BANGALORE – 560 069 BUSINESS	SD/-	
TOTAL		

Date: 18.04.2005
Place: BANGALORE.

SECTION XII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the RoC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at No 496, Chaithanya Dhriti Rudresh, 6th Main, 8th Cross, Vijaya Bank Layout, Bannerghatta Road, Bangalore, Bangalore South, Karnataka, India, 560076 between 10.00 a.m. to 5.00 p.m. (IST) on all working days and will also be available at the website of our company www.lesgroup.in from the date of the Draft Red Herring Prospectus until issue closing date.

A. MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement dated December 26, 2024 entered into among our Company, Promoter (the Selling Shareholder) and the Book Running Lead Manager.

2. Agreement dated December 30, 2024 entered into among our Company, Promoter (the selling shareholder) and the Registrar to the Issue.

3. Tripartite Agreement dated May 30, 2024 entered into among our Company, NSDL and the Registrar to the Issue.

4. Tripartite Agreement dated June 25, 2024 entered into among our Company, CDSL and the Registrar to the Issue.

5. Banker to the Issue Agreement **[●]** among our Company, Promoter (the Selling Shareholder), the Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.

6. Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.

7. Underwriting Agreement dated [●] between our Company, the Selling Shareholder and the Book Running Lead Manager.

8. Syndicate Agreement dated [●] between the Company, BRLM, RTA and Syndicate Members.

9. Share Escrow Agreement dated [●] between our Company, Promoter Selling Shareholder, the BRLM and Share Escrow agent.

B. MATERIAL DOCUMENTS

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.

2. Certificate of Incorporations of our Company dated May 09, 2005, January 23, 2009 and June 21, 2024 issued by Registrar of Companies.

3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated December 16, 2024 and December 19, 2024 respectively, authorizing the Issue and other related matters.

4. Copies of Audited Financial Statements of our Company for Six months ended September 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

5. Peer Review Auditors Report dated December 27, 2024 on Restated Financial Statements of our Company for Six months ended September 30, 2024 and the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.

6. Copy of Statement of tax benefits dated December 27, 2024, from the Statutory Auditor included in this Draft Red Herring Prospectus.

7. Authorization Letter from Selling Shareholder for Offer for sale dated December 13, 2024.

8. Consents of Promoters, Directors, Selling Shareholder, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Legal Advisor to the Issue, Banker to the Issue & Sponsor Bank, Book Running Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Draft Red Herring Prospectus to act in their respective capacities.

9. Certificate on KPI's issued by the Statutory Auditor M/S Rao Associates, Chartered Accountants, vide their certificate dated December 27, 2024.

10. In-principle listing approval dated [●] from BSE Limited for listing the Equity Shares on the SME Platform of BSE Limited.

11. Due Diligence certificate dated [●] submitted to SEBI after filing the prospectus with RoC.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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Prabhav Narasimha Rao
Managing Director
DIN: 02277473

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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Priyashaila Prabhav Rao
Whole Time Director
DIN: 02122050

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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Sapna Raghavendra
Whole Time Director & Chief Financial Officer
DIN: 08914356

Date: [●]

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Kommanahalli Giridhar
Non-Executive Director
DIN: 10563746

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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Vijay Kumar Sajjan
Independent Director
DIN: 10509632

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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Krishnamurthy Salekoppa Parameshawarabhatta
Independent Director
DIN: 10512697

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Sd/-

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Sneha Hegde
Company Secretary & Compliance Officer

Date: February 04, 2025

Place: Bangalore

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE SELLING SHAREHOLDER OF OUR COMPANY:

Sd/-

Prabhav Narasimha Rao
Promoter Selling Shareholder

Date: February 04, 2025

Place: Bangalore