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**DRAFT RED HERRING PROSPECTUS**

Dated July 29, 2022

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

Please read Section 32 of the Companies Act, 2013


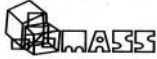
**100% Book Built Offer**



SIMPLE | ACCURATE | SECURE

**SSBA INNOVATIONS LIMITED**

CORPORATE IDENTITY NUMBER: U74999MH2017PLC298565

REGISTERED OFFICE		CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE	
1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai – 400 072, Maharashtra, India.		<b>Supriya Vijay Utekar</b> Company Secretary and Compliance Officer	<b>E-mail:</b> grievance@ssbainnovations.com <b>Telephone:</b> +91 22 4602 5465	www.ssbainnovations.com	
<b>OUR PROMOTERS: SUJIT SUDHAKAR BANGAR AND ATUL UMAKANT REGE</b>					
DETAILS OF THE OFFER					
TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE (NO. OF EQUITY SHARES/AMOUNT)	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATIONS AMONG QIBS, NIBS AND RIBS.	
Fresh Issue	Up to [●] Equity Shares aggregating up to ₹10,50,000 thousand	NIL	Up to ₹10,50,000 thousand	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIBs, and RIBs see "Offer Structure" beginning on page 312	
DETAILS OF THE OFFER FOR SALE					
NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED/ AMOUNT (₹IN THOUSAND)	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (IN ₹)		
Not Applicable					
RISKS IN RELATION TO THE FIRST OFFER					
The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and the Offer Price, as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 94 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISK					
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 31.					
ISSUER'S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and 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 opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.					
LISTING					
The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE and NSE. For the purposes of the Offer, [●] is the Designated Stock Exchange.					
BOOK RUNNING LEAD MANAGER					
Name and Logo	Contact Person	E-mail	Telephone		
 <b>SYSTEMATIX GROUP</b> Investments Re-defined Systematix Corporate Services Limited	Ankur Sharma / Jinal Sanghvi	mb.ip@systematixgroup.in	+91 22 6704 8000		
REGISTRAR TO THE OFFER					
Name and Logo	Contact Person	E-mail	Telephone		
 <b>MAS SERVICES</b> MAS Services Limited	Sharwan Mangla	info@masserv.com	+91 11 2638 7281/82/83		
BID/ OFFER PROGRAMME					
ANCHOR INVESTOR PORTION OFFER PERIOD	[●] <sup>(1)</sup>	BID / OFFER OPENS ON	[●]	BID / OFFER CLOSES ON	[●] <sup>(2)</sup>

<sup>(1)</sup> Our Company in consultation with the BRLM may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

<sup>(2)</sup> Our Company may, in consultation with the BRLM, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

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**DRAFT RED HERRING PROSPECTUS**

7/29/2022

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

Please read Section 32 of the Companies Act, 2013

**100% Book Built Offer**



Our Company was incorporated as 'SSBA Innovations Private Limited' in Mumbai, Maharashtra on August 14, 2017 as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on May 09, 2022 and consequently, the name of our Company was changed to its present name, 'SSBA Innovations Limited', and a fresh certificate of incorporation dated May 23, 2022 was issued by the RoC to our Company. For details in connection with change in registered office of our Company, see "History and Certain Corporate Matters – Changes in the Registered Office" on page 176.

**Registered Office:** 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Mumbai – 400 072, Maharashtra, India;

**Contact Person:** Supriya Vijay Utekar, Company Secretary and Compliance Officer; **Telephone:** +91 22 4602 5465; **E-mail:** grievance@ssbainnovations.com; **Website:** www.ssbainnovations.com

**Corporate Identity Number:** U74999MH2017PLC298565

**OUR PROMOTERS: SUJIT SUDHAKAR BANGAR AND ATUL UMAKANT REGE**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SSBA INNOVATIONS LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹10,50,000 THOUSAND (THE "OFFER"). THE OFFER IS THROUGH A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹10,50,000 THOUSAND (THE "FRESH ISSUE") THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the members of the Syndicate and by intimation to other Designated Intermediaries and the Sponsor Bank as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be allocated on a proportionate basis to the Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company may, 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 ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Offer cannot be allocated to QIBs, then the entire application money shall be refunded forthwith. Further, (a) not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which, (i) one third of such portion shall be reserved for Non-Institutional Bidders with application size of more than ₹200 thousand and up to ₹1000 thousand; (ii) two-third of such portion shall be reserved for Non-Institutional Bidders with application size of more than ₹1000 thousand, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders; and (b) not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than the Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidder (defined hereinafter) if applicable, which will be blocked by the SCSBs or the Sponsor Bank under the UPI Mechanism, as applicable, to the extent of the corresponding Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 316.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and the Offer Price, as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 94 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 31.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and 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 opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the Registrar of Companies in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 355.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
	
<p><b>Systematix Corporate Services Limited</b> The Capital, A Wing No. 603-606, 6th Floor, Plot No. C-70, G-Block BKC, Bandra East, Mumbai 400 051, Maharashtra, India <b>Telephone:</b> +91 22 6704 8000 <b>E-mail:</b> mb.ipo@systematixgroup.in <b>Investor Grievance E-mail:</b> investor@systematixgroup.in <b>Website:</b> www.systematixgroup.in <b>Contact Person:</b> Ankur Sharma / Jinal Sanghvi <b>SEBI Registration No.:</b> INM000004224</p>	<p><b>MAS Services Limited</b> <b>Address:</b> T-34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi 110 020, Delhi, India. <b>Telephone:</b> +91 11 26387281/82/83 <b>E-mail:</b> info@masserv.com <b>Investor Grievance E-mail:</b> investor@masserv.com <b>Website:</b> www.masserv.com <b>Contact Person:</b> Sharwan Mangla <b>SEBI Registration Number:</b> INR000000049</p>
BID/OFFER PROGRAMME	
<b>BID / OFFER OPENS ON : [●]</b>	<b>BID / OFFER CLOSES ON **: [●]</b>

\* Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e. [●].

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

#### General terms

Term	Description
“Our Company”, the “Company”, or the “Issuer”	SSBA Innovations Limited, a public limited company incorporated under the Companies Act, 2013 and having its Registered Office at 1309, Lodha Supremus Powai, Saki Vihar Road, Opposite MTNL Office, Powai, Mumbai – 400 072, Maharashtra, India.
We/us/our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary, on a consolidated basis.

#### Company Related Terms

Term	Description
Articles of Association/AoA/ Articles	The articles of association of our Company, as amended.
Audit Committee	The audit committee of our Board of Directors, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management – Committees of our Board</i> ” on page 186.
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof.
CFO/ Chief Financial Officer	The Chief Financial Officer of our Company, being Shrenik Mahendra Doshi.
Chairman	The chairman of our Company, being Sujit Sudhakar Bangar.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Supriya Vijay Utekar.
Director(s)	The director(s) of our Company.
Dividend Policy	The dividend distribution policy.
Equity Shares	The equity shares of our Company of face value of ₹10 each fully paid up.
ESOP Plan	SSBA – Employee Stock Option Plan 2022.
Group Companies	Our group companies as disclosed in the section “ <i>Group Companies</i> ” on page 199.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and as described under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Fitch Solutions/ Fitch	Fitch Solutions India Advisory Private Limited ( <i>formerly known as IRR Advisory Services Private Limited</i> ).
Industry Report/ Fitch Report	Report titled “Industry Research Report on E-Filing of Income Tax returns in India” dated July 19, 2022 which is exclusively prepared for the purposes of the Offer and issued by Fitch Solutions.
IPO Committee	The IPO Committee of our board, as mentioned in “ <i>Our Management – Committees of our Board</i> ” on page 186.
Key Managerial Personnel	Key management personnel of our Company in terms of SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel</i> ” on page 192.
Materiality Policy	The policy adopted by our Board on June 27, 2022, for identification of material (a) outstanding legal proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes

<b>Term</b>	<b>Description</b>
	of disclosures in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as described in “ <i>Our Management – Committees of our Board</i> ” on page 186.
Promoter(s)	The Promoters of our Company, being Sujit Sudhakar Bangar and Atul Umakant Rege. For details see “ <i>Our Promoter and Promoter Group</i> ” on page 196.
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as discussed in “ <i>Our Promoter and Promoter Group</i> ” on page 196.
Registered Office	The registered office of our Company is situated at 1309, Lodha Supremus Powai, Saki Vihar Road, Opposite MTNL Office, Powai, Mumbai 400 072, Maharashtra, India.
Restated Financial Statements	The restated financial information of our Company comprising of the restated consolidated statement of assets and liabilities of our Company as at financial years ended March 31, 2022 March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, as at financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and summary statement of significant accounting policies and other explanatory information prepared by our Company for inclusion in this Draft Red Herring Prospectus in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended and included in “ <i>Financial Statements</i> ” beginning on page 202.
RoC / Registrar of Companies	Registrar of Companies, Maharashtra, situated at Mumbai, India.
Shareholders	Equity Shareholders of our Company.
Stakeholders Relationship Committee	The stakeholders’ relationship committee of our Board of Directors, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and as described in “ <i>Our Management – Committees of our Board</i> ” on page 186.
Statutory Auditor/Auditors/Auditor	The statutory auditor of our Company, namely, M/s. V. A. Parikh & Associates LLP, Chartered Accountants, having firm registration number 112787W/W100073.
Subsidiary	SSBA Insurance Broker Private Limited

#### Offer related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue to successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to all the Bidders who have bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.

<b>Term</b>	<b>Description</b>
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has bid for an amount of at least ₹1,00,000 thousand.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company, in consultation with the BRLM during the Anchor Investor Bidding Date.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investor and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLM.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, no later than two Working Days after the Bid/ Offer Closing Date.
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.  One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using UPI mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a RII linked to a UPI ID, which will be blocked in relation to a Bid by a UPI Bidding through the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be.
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "Offer Procedure" beginning on page 316.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.

Term	Description
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located).</p> <p>In case of any revisions, the extended Bid/Offer Closing Date will be widely disseminated by notifications to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the other members of the Syndicate, and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.</p> <p>Our Company, in consultation with the BRLM may, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website of the BRLM and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Offer Opening Date	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper), Marathi being the regional language of Maharashtra, where our Registered Office is located).</p> <p>Our Company, in consultation with the BRLM 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.</p>



<b>Term</b>	<b>Description</b>
Bid/ Offer Period	<p>Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company, in consultation with the BRLM may decide to close the Bidding Period by QIBs one day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, in accordance with SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days.</p>
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Manager/ BRLM/ Systematix	The book running lead manager to the Offer namely, Systematix Corporate Services Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that Retail Individual Investors (RII's) may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism to a Registered Broker, and details of which are available on the websites of the respective Stock Exchanges. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
CAN/ Confirmation of Allocation Note	Notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date.
Cap Price	Higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. Provided that Cap Price shall be at least 105% of Floor Price and shall not exceed 120% of Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the BRLM, the Registrar to the Offer, the Syndicate Members and the Bankers to the Offer for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof and the appointment of Sponsor Bank in accordance with the UPI Circulars.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI and per the list available on the websites of BSE and NSE, as updated from time to time.
Cut-off Price	<p>Offer Price, finalised by our Company, in consultation with the BRLM, which shall be any price within the Price Band.</p> <p>Only Retail Individual Investors Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.</p>

<b>Term</b>	<b>Description</b>
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	<p>In relation to ASBA Forms submitted by Retail Individual Investors and Non-Institutional Bidders Bidding with an application size up to ₹5,00,000 (not using the UPI Mechanism) by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by Retail Individual Investors where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs.</p>
Designated RTA Locations	<p>Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs.</p> <p>The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.</p>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at ( <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&amp;intmid=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&amp;intmid=35</a> ) and updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ DRHP	This draft red herring prospectus dated July 29, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI(s)	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid.

<b>Term</b>	<b>Description</b>
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●].
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted.
Fresh Issue	The Fresh Issue of up to [●] Equity Shares by our Company, at ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹10,50,000 thousand.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued by SEBI in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, as may be amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and the BRLM.
Gross Proceeds	The Offer proceeds from the Fresh Issue.
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021.
March 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
Minimum NII Application Size	Bid Amount of more than ₹2,00,000.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=43</a> or such other website as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism.
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement to be entered into between our Company and the Monitoring Agency.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
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 Proceeds	The Gross Proceeds less our Company's shares of Offer expenses applicable to the Fresh Issue. For further information about use of the Net Proceeds and the Offer expenses, see "Objects of the Offer" beginning on page 88.
Net QIB Portion	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Investors/ NII(s)/ Non-Institutional Bidders/ NIB(s)	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which (i) one third shall be reserved for NIBs with application size exceeding ₹2,00,000 up to ₹10,00,000; and (ii) two-thirds shall be reserved for NIBs with application size exceeding ₹10,00,000..
Non-Resident / NR Offer	A person resident outside India, as defined under FEMA. The initial public offer of Equity Shares through a Fresh Issue.

<b>Term</b>	<b>Description</b>
Offer Agreement	The agreement dated July 27, 2022 amongst our Company and the BRLM, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
Offer Price	<p>₹[●] per Equity Share, being the final price (within the Price Band) at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.</p>
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company. For further information about use of the Offer Proceeds, see “Objects of the Offer” beginning on page 88.
Price Band	<p>Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of Floor Price.</p> <p>The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLM, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.</p>
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	Bank account to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Offer Account Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●].
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price.
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/ RHP	<p>The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto.</p> <p>The red herring prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.</p>

<b>Term</b>	<b>Description</b>
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount, to the Bidders shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, with the Stock Exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/ 14/ 2012 dated October 4, 2012, and the UPI Circulars issued by SEBI.
Registrar Agreement	The agreement dated July 27, 2022 among our Company and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents/ RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the respective websites of the Stock Exchanges, as updated from time to time and the UPI Circulars.
Registrar to the Offer/ Registrar	MAS Services Limited.
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Investors(s)/ RII(s)/ Retail Individual Bidder(s)/ RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹2,00,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares aggregating to ₹[●] thousand, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.  QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.

Term	Description
Self-Certified Syndicate Bank(s)/ SCSB(s)	<p>The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=34</a>, or at such other websites as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=35</a>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=35</a> as updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intId=43</a>) respectively, as updated from time to time.</p>
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ), and updated from time to time.
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●].
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement to be entered into among our Company, the BRLM, the Registrar to the Offer and the Syndicate Member in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Member	Intermediaries (other than the BRLM) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter, namely, [●].
Syndicate/members of the Syndicate	Together, the BRLM and the Syndicate Members.
Systemically Important Non-Banking Financial Company/ NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement amongst the Underwriters, our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus.
UPI	Unified Payments Interface which is an instant payment mechanism, developed by NPCI.

<b>Term</b>	<b>Description</b>
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RII, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the RII to such UPI linked mobile application) to the RII initiated by the Sponsor Bank to authorize blocking of funds in the relevant ASBA Account through the UPI linked mobile application, equivalent to the Bid Amount and the subsequent debit of funds in case of Allotment.
UPI Mechanism	The Bidding mechanism that may be used by RII to make Bids in the Offer in accordance with UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter or Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower in terms of regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	All days, on which commercial banks in Mumbai, India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai India, as per the circulars issued by SEBI.

#### Technical/Industry Related Terms/Abbreviations

<b>Term</b>	<b>Description</b>
AAUM	Average Asset Under Management.
AE	Advanced Estimate.
AI	Artificial Intelligence.
AIS	Annual Information Statement.
AMFI	Association of Mutual Funds in India.
ASP	Application Service Provider.
ATF	Aviation Turbine Fuel.
AUA	Assets Under Advisory.
AUM	Assets Under Management.
AY	Assessment Year.
B30	Beyond the Top 30 Cities.
BCG	Boston Consulting Group.
BSBD	Basic Savings Bank Deposit.
CA	Tax Professional.
CAC	Cost of Acquisition per Client.
CAGR	Compound Annual Growth Rate.
CBDT	Central Board of Direct Taxes.
CBIC	Central Board of Indirect Taxes and Customs.
CDSL	Central Depositories Services (India) Limited.
CGST	Central GST.

<b>Term</b>	<b>Description</b>
CMIE	Centre for Monitoring Indian Economy.
COP26	26 <sup>th</sup> Meeting of the Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC).
CPC	Centralized Processing Centre.
CPI	Consumer Price Index.
CSV	Comma Separated Values (file format).
CVD	Additional Duties of Customs.
D2C	Direct-to-consumer.
DBT	Direct Benefit Transfer.
DGARM	Directorate General of Analytics and Risk Management.
DMs	Developed Markets.
EMS	Emerging Markets.
ERP	Enterprise Resource Planning (software).
ETF	Exchange Traded Fund.
EUIN	Employee Unique Identification Number.
FIAC	Financial Inclusion Advisory Committee.
FI-Index	Financial Inclusion Index.
FSIAPL	Fitch Solutions India Advisory Private Limited
GCC	Gulf Cooperation Council.
GDP	Gross Domestic Product.
GFCE	Government Final Consumption Expenditure.
GFCF	Gross Fixed Capital Formation.
GNI	Gross National income.
GST	Goods and Services Tax.
GSTC	Goods and Service Tax Council
GSTIN	Goods and Service Tax Identification Number.
GSTN	Goods and Services Tax Network.
GSTR	Goods and Service Tax Return.
GVA	Gross value added.
HNI	High Net-worth Individuals.
HUF	Hindu Undivided Family.
IGST	Integrated GST.
IIP	Index of Industrial Production.
IMF	International Monetary Fund.
INDWealth	Personal Finance Platform
IT	Income Tax.
ITC	Input Tax Credit.
ITD	Income Tax Department.
ITO	Income Tax Office.
ITR	Income Tax Returns.
ITTAC	Income Tax Transaction Analysis Centre.
JAM	Jan Dhan-Aadhaar-Mobile.
JSON	Java Script Object Notations (file format)
KCC	Kisan Credit Cards.
LAN	Local Area Network.
MAT	Minimum Alternative Tax.
MCA	Ministry of Corporate Affairs.
ML	Machine Learning.
MLIs	Member Lending Institutions.
MOSPI	Ministry of Statistics and Programme Implementation
MTD	Making Tax Digital.
MUDRA	Micro Units Development and Refinance Agency Bank.
NCC	National Computer Centre.
NMS	Non-filers monitoring system.
NSFI	National Strategy for Financial Inclusion.



<b>Term</b>	<b>Description</b>
NSO	National Statistical Office.
OD	Overdraft facility.
OIDAR	Online Information Data Base Access and Retrieval.
PAN	Permanent Account Number.
PC	Personal Computer.
PF	Provident Fund.
PFCE	Private Final Consumption Expenditure.
Platform/Platforms	Collectively, herewith referred to as TaxBuddy and Finbingo.
PMI	Purchasing Manager's Index.
PMJDY	Pradhan Mantri Jan Dhan Yojana.
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana.
PMMY	Pradhan Mantri Mudra Yojana.
PMSBY	Pradhan Mantri Suraksha Bima Yojana.
PP	Percentage Points.
PPP	Purchasing Power Parity.
QRMP	Quarterly Return Filing and Monthly Payment of Taxes
RCC	Regional Computer Centre.
RE	Revised Estimate.
RPA	Robotic Process Automation.
SAD	Special Additional Duty of Customs.
SFT	Statement of Financial Transaction.
SGST	State GST.
SN-73	Type of Mainframe based operating system.
SWOT	Strength, Weakness, Opportunities and Threat.
T30	Top 30 Cities.
TAXNET	Tax Network.
TCS	Tax Collected at Source.
TDS	Tax Deducted at Source.
TIS	Taxpayer Information Summary.
TRAI	Telecom Regulatory Authority of India.
TRPS	Tax Return Preparer Scheme.
UHNWIs	Ultra High Net Worth Individuals.
UIN	Unique Identification Number.
VAT	Value Added Tax.
WAN	Wide Area Network.
WPI	Wholesale Price Index.
XML	Extensible Markup Language.

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

<b>Term</b>	<b>Description</b>
₹/Rs./ Rupees/ INR	Indian National Rupees.
A/c	Account.
ADs	Authorised Dealers.
AGM	Annual General Meeting.
AIF	Alternative Investment Funds registered pursuant to SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time.
Aparna Bangar/ Aparna Morale/ Aparna Sujit Bangar/ Aparna Arun Morale	Aparna Sujit Bangar.
Atul Rege/ Atul Umakant Rege	Atul Umakant Rege.
AS or Accounting Standards	Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006.

<b>Term</b>	<b>Description</b>
AY	Assessment Year.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.
Category I FPIs	FPIs who are registered with SEBI as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations.
Category II FPIs	FPIs who are registered with SEBI as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CIBIL	Credit Information Bureau (India) Limited.
CIN	Corporate Identity Number.
Companies Act	Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder.
Competition Act	Competition Act, 2002, as amended.
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020.
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996.
DIN	Directors Identification Number.
DP/ Depository Participant	Depository participant as defined under the Depositories Act.
DP ID	Depository Participant’s Identification number.
DPIIT	Department for Promotion of Industry and Internal Trade.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, as amended.
EPS	Earnings per share.
ESI Act	Employees State Insurance Corporation Act, 1948, as amended.
FC-GPR	Foreign Collaboration- General Permission Route.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed there under.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act read with Service Tax Rules	Finance Act, 1994 read with Service Tax Rules, 1994, as amended.
Fiscal or Financial Year or FY	Period of 12 months ended March 31 of that particular year.
FPIs	A foreign portfolio investor as defined under the SEBI FPI Regulations.
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign Venture Capital Investor registered under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
GST	Goods and Services Tax.
HNI	High Net worth Individual.
HUF	Hindu Undivided Family.
ICAI	The Institute of Chartered Accountants of India.
ICWAI	The Institute of Cost and Works Accountants of India.

<b>Term</b>	<b>Description</b>
IFRS	International Financial Reporting Standards.
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act and Ind AS Rules.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
IPO	Initial Public Offering.
IST	Indian Standard Time.
IT	Information Technology.
IT Act/ Income Tax Act	Income Tax Act, 1961, as amended.
KYC	Know Your Customer.
MCA	Ministry of Corporate Affairs.
N.A.	Not Applicable.
NACH	National Automated Clearing House
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer
No.	Number.
NPCI	National Payments Corporation of India.
NRE Account	Non-Resident External Account.
NRI / Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
P/E Ratio	Price/Earnings Ratio.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
Sanjay Godbole/ Sanjay Sharadchandra Godbole	Sanjay Sharadchandra Godbole.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended.

<b>Term</b>	<b>Description</b>
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999, as amended.
SEBI SBEB Regulations 2021	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed pursuant to SEBI AIF Regulations.
Shrenik Doshi/ Shrenik Mahendra Doshi	Shrenik Mahendra Doshi.
Sq. ft./ Sft/ sqft	Square foot.
Sq. mt.	Square meter.
STT	Securities Transaction Tax.
Sujit Bangar/ Sujit Sudhakar Bangar	Sujit Sudhakar Bangar.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax Deduction Account Number allotted under the Income Tax Act, 1961, as amended.
TDS	Tax Deducted at Source.
U.S./US/U.S.A/United States	The United States of America, together with its territories and possessions.
U.S. Securities Act	The United States Securities Act of 1933, as amended
US\$/USD	United States Dollar, the official currency of the United States of America.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations and SEBI AIF Regulations.

Words and expressions used but not defined herein shall have the same meaning as is assigned to such terms in the SEBI ICDR Regulations, the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, capitalised terms in “*Statement of Special Tax Benefits*”, “*Financial Statements*”, “*Basis for Offer Price*”, “*Outstanding Litigation and Material Developments*”, “*Offer Procedure*” and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 97, 202, 94, 289, 316 and 335 respectively, shall have the meaning as ascribed to such terms in such sections.

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

### **Certain Conventions**

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

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”).

### **Page Numbers**

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

### **Financial Data**

Unless stated otherwise or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Financial Statements comprising of the restated consolidated summary statements of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, and the restated summary consolidated statement of profit and loss (including other comprehensive income), and restated consolidated cash flow statement and the restated consolidated statement of changes in equity changes in equity for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 together with its significant accounting policies, notes, annexures and schedules are derived from our audited consolidated financial statements as at and for financial years ended March 31, 2022 and audited special purpose consolidated financial statements as at and for financial years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Companies Act, Ind AS and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI.

Our Company’s Financial Year commences on April 01 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular financial year, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year. Unless the context otherwise requires, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Financial Year are to period ending March 31 of that calendar year.

All the figures in this Draft Red Herring Prospectus, except for figures derived from the Fitch Report (which are in crores), have been presented in thousand or in whole numbers where the numbers have been too small to present in thousand unless stated otherwise. One thousand represents 1,000 and one crore represents 1,00,00,000.

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

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see “*Risk Factors— Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and may consider material to their assessment of our financial*”

*condition*” on page 57. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 31, 150 and 261 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Financial Statements prepared in accordance with Companies Act, Indian accounting policies and practices and restated in accordance with the SEBI ICDR Regulations.

### **Non-GAAP Financial Measures**

This Draft Red Herring Prospectus contains certain Non-GAAP financial measures such as EBITDA and certain other statistical information relating to our operations and financial performance. Although the Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose such Non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and also useful to an investor in evaluating us because they are widely used measures to evaluate a company’s operating performance.

These Non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

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

All references to “Rupees” or “₹” or “INR” or “Rs.” Are to Indian Rupee, the official currency of the Republic of India; “USD” or “US\$” are to United States Dollar, the official currency of the United States. Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “thousand” and in “million” units.

One thousand represents 1,000 and one million represents 10,00,000.

### **Exchange Rates**

This Draft Red Herring Prospectus contains conversion 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.

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

*(Amount in ₹, unless otherwise specified)*

<b>Currency</b>	<b>As on March 31, 2022</b>	<b>As on March 31, 2021</b>	<b>As on March 31, 2020</b>
1 US\$	75.81	73.50	75.39

*\*Source: For US\$, foreign exchange reference rates as available on [www.fbil.org.in](http://www.fbil.org.in).*

*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.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

## Industry and Market Data

Industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information and from the Fitch report published by Fitch Solutions on July 19, 2022 which includes the following disclaimer:

*“This report is prepared by Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) FSIAPL has taken utmost care to ensure accuracy and objectivity while developing this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of FSIAPL.”*

For the purpose of confirming our understanding of the industry in connection with the Offer, we have commissioned and paid for a report titled *“Industry Research Report on E-Filing of Income Tax returns in India”* dated July 19, 2022 which is exclusively prepared for the purposes of the Offer and issued by Fitch Solutions, who has been appointed pursuant to an engagement letter dated April 30, 2022. We commissioned and paid for the Fitch Report for the purposes of confirming our understanding of the industry specifically for the purpose of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the Fitch Report. This Draft Red Herring Prospectus contains certain data and statistics from the Fitch Report, which is available on the website of our Company at [www.ssbainnovations.com](http://www.ssbainnovations.com).

Other than the engagement described above, Fitch Solutions is independent and has no direct or indirect association with the Company, its Directors, Promoters and Book Running Lead Manager.

For further details in relation to risks involving in this regard, see *“Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports paid and commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.”* and *“Industry Overview”* beginning on pages 46 and 102, respectively and accordingly we have made disclosures on the basis of the data provided in the same.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *“Risk Factors”* beginning on page 31.

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. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the *“Basis for Offer Price”* beginning on page 94 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information.

## FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- a. Certain of our corporate filings and records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard;
- b. We have recently launched a new platform, Finbingo and we cannot assure you if we will be able to attract Users and/or maintain our revenue generated from this platform;
- c. If we are unable to attract new Users and Customers to our platform, retain and grow our relationships with our existing Users or Customers, our business, results of operations, financial condition, cash flows and prospects could be adversely affected;
- d. Our efforts to acquire new Users and retain existing Users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue;
- e. The seasonality of our business affects our quarterly results and places an increased strain on our operations

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 31, 150 and 261, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate,



and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Directors and the BRLM or their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment.

## SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Objects of the Offer”, “Outstanding Litigation and Material Developments”, “Our Promoters and Promoter Group” and “Management Discussion and Analysis of Financial Conditions and Results of Operation” beginning on pages 31, 150, 102, 75, 59, 202, 88, 289, 196 and 261 respectively.*

### **Primary business of our Company**

We are a technology-driven financial solutions and services platform focusing on providing end-to-end financial solutions in the area of tax planning and filing, personal investment advisory and wealth building to individuals, HUF, professionals, firms, and companies registered on our platforms (jointly referred to as the “Users”) in India.

Our Company was incorporated on August 14, 2017 and thereafter we started working towards developing our product offerings in-house. Our first platform, TaxBuddy was launched in October, 2019, that offers assisted tax (ITR and GST) planning and filing, advisory and IT Notice Management (“**Tax Solutions**”) and subsequently, our second platform, Finbingo was launched in May 2022, that offers financial solutions including planning, advisory and wealth management (“**Financial Solutions**”).

### **Summary of Industry (Source: Fitch Report)**

The Government of India levies two types of taxes on the citizens of India – Direct Tax and Indirect Tax. Indirect taxes are usually transferred to another person after being initially levied as a direct tax. Common examples of an indirect tax include Goods and Services Tax (GST) and VAT. GST is levied on the manufacturers or service providers as a direct tax, which is then transferred to the consumers when it is part of the final price of the goods or services, thus, making it an indirect tax for the consumers. On the other hand, the burden of the direct taxes cannot be transferred to another person, such as Income Tax, which every individual is supposed to pay directly to the tax authorities in India. Both indirect and direct taxes are vital components that play an essential role in changing the course of the Indian economy.

### **Name of Promoters**

Our Promoters are Sujit Sudhakar Bangar and Atul Umakant Rege. For further details, see “*Our Promoter and Promoter Group*” beginning on page 196.

### **Offer Size**

Offer up to [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating up to ₹10,50,000 thousand through a Fresh Issue.

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

For further details, see “*The Offer*” and “*Offer Structure*” beginning on pages 59 and 312, respectively. The Offer has been authorized by a resolution of our Board dated May 23, 2022 and by a special resolution of our Shareholders dated May 24, 2022.

For further details, see “*The Offer*” and “*Offer Structure*” beginning on pages 59 and 312, respectively.

### **Objects of the Offer**

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

*(in ₹ thousand)*

Sr. No.	Particulars	Estimated Amount
1.	User acquisition and business development	6,54,473
2.	Technological development	1,52,205
3.	General corporate purposes*#	●
<b>Total#</b>		●

\*To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

#The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

### Aggregate pre-Offer shareholding of our Promoters and the members of our Promoter Group

Except as given below, none of the members of our Promoters and Promoter Group hold Equity Shares of our Company. The aggregate pre-Offer shareholding of our Promoter and Promoter Group as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Offer paid up Equity Share Capital
<b>Promoters</b>			
1.	Sujit Sudhakar Bangar	33,89,862	33.92
2.	Atul Umakant Rege	6,46,729	6.47
<b>Members of the Promoter Group</b>			
3.	SA Trading	15,07,493	15.08
4.	Empyrean Enviro	12,19,917	12.21
5.	Aparna Sujit Bangar	4,03,452	4.04
6.	Netresh Rege	86,136	0.86
7.	Jyoti Arun Morale	9,246	0.01
8.	Amol Arun Morale	5,136	0.01
<b>Total of Promoters and Promoter Group</b>		<b>72,67,971</b>	<b>72.60</b>

For further details, see "Capital Structure" beginning on page 75.

### Summary of Restated Financial Statements

The following details are derived from the Restated Financial Information:

Particulars	Financial Year		
	2022	2021	2020
Equity Share Capital (₹ in thousand)	94,285.17	76,734.81	62,435.00
Net worth (₹ in thousand)	59,365.44	72,800.54	55,596.51
Total income (₹ in thousand)	19,728.81	4,556.90	722.92
Profit / (loss) after tax (₹ in thousand)	(88,634.91)	(27,528.83)	(4,459.65)
Earnings per Equity Share (basic and diluted)			
- Basic (in ₹)	(10.73)	(3.97)	(1.14)
- Diluted (in ₹)	(10.73)	(3.97)	(1.14)
Net asset value per Equity Share (in ₹)	6.30	9.49	8.90
<b>Total borrowings</b>	<b>20,994.70</b>	<b>11,424.99</b>	<b>119.99</b>

Notes:

- 1) Net-worth means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the restated statement of assets and liabilities of our Company in the Restated Consolidated Financial Statements.
- 2) The details of 'Earnings per Share' disclosed above are based on the Restated Financial Information of our Company.
- 3) Net Asset Value per Equity Share = Net Worth at the end of the year/period divided by weighted average number of Equity Shares. Weighted average number of Equity Shares represents the shares used for computing Basic EPS/LPS.
- 4) Total Borrowing includes unsecured loans.

For further details, see "Financial Statements" on page 202.

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

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

### Summary of Outstanding Litigation

Types of Proceedings	Number of Cases	Amount (₹ in thousand)*
<b>Litigation against our Company</b>		
Criminal Proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other material litigations against our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigation by our Company</b>		
Criminal Proceedings	Nil	Nil
Other material litigations by our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigation against our Directors</b>		
Criminal Proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	6	12,200.07
Other material litigations against our Directors	Nil	Nil
<b>Total</b>	<b>6</b>	<b>12,200.07</b>
<b>Litigation by our Directors</b>		
Criminal proceedings	Nil	Nil
Other material litigations by our Directors	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigation against our Promoters</b>		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action	Nil	Nil
Claims related to direct and indirect taxes	3	12,200.07
Other material litigations against our Promoters	Nil	Nil
<b>Total</b>	<b>3</b>	<b>12,200.07</b>
<b>Litigation by our Promoters</b>		
Criminal proceedings	Nil	Nil
Other material litigations by our Promoters	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigations involving the Group Companies</b>		
Pending litigation which has a material impact on our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” on page 289.

### Risk Factors

Specific attention of Investors is invited to the section “*Risk Factors*” beginning on page 31. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

### Summary of Contingent Liabilities of our Company

The following is a summary table of our contingent liabilities as follows:

(₹ in thousand)

Particulars	For year ended March 31, 2022
Contingent Liabilities*	Not quantifiable
Commitments	

\* Our Company has made various corporate filings with the MCA since incorporation which had typographical errors and subsequently, our Company has intimated such corrections by filing requisite form with the MCA. As of now, our Company has not received any kind of communication or notice from the MCA regarding these typographical errors. However, we cannot assure that the MCA may initiate appropriate action against our Company and may levy penalty against our Company in future. Hence, as of the date of the financial statement, we are unable to quantify the penalty.

### Summary of Related Party Transactions

The following is a summary table of our related party transactions, as per Ind AS 24 read with the SEBI ICDR Regulations as derived from our Restated Financial Information:

(₹ in thousand)

Particulars	Transactions	Fiscal		
		2022	2021	2020
SA Trading	a) Loan Taken		6,130.00	
Empyrean Cashew Limited	a) Rent Expenses	247.13	341.17	386.10
Aparna Sujit Bangar	a) Loan Taken	1,87,85.67	225.00	353.29
	b) Loan Repayment	7,830.67		283.29
	c) Reimbursement of Expenses	17,841.79		
Samir Jayaswal	a) Salary Paid	1,030.00	880.00	1,900.75
Sanjay Sharadchandra Godbole	a) Salary Paid	790.00	440.00	1,567.63
Sujit Sudhakar Bangar	a) Loan Taken	12,500.00	4,950.00	
	b) Loan Repayment	17,450.00		
	c) Reimbursement of Expenses		2,832.83	
Shrenik Mahendra Doshi	a) Professional Fees Paid	398.70		

For further details of the related party transactions as per Ind AS 24 read with SEBI ICDR Regulations for Fiscal 2022, 2021 and 2020, see “Financial Statements Related Party Transactions Note 37” on page 252.

### Financing Arrangements

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

### Weighted average price at which the Equity Shares were acquired by each of our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

Except as stated below, no Equity Shares have been acquired by our Promoters, in the one year preceding the date of this Draft Red Herring Prospectus.

Sr. No.	Name of Promoters	Number of Equity Shares acquired*	Weighted average price (in ₹)
1.	Sujit Sudhakar Bangar	4,61,279	44.69
2.	Atul Umakant Rege	4,36,729	48.99

\*As certified by our Statutory Auditors by way of their certificate dated July 27, 2022.

### Average Cost of Acquisition of Equity Shares by our Promoters

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

Sr. No.	Name of Promoter	No. of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹) <sup>#</sup>
1.	Sujit Sudhakar Bangar	33,89,862	15.15
2.	Atul Umakant Rege	6,46,729	46.43

<sup>#</sup>As certified by our Statutory Auditors by way of their certificate dated July 27, 2022.

For further details of the average cost of acquisition for our Promoters, see “Capital Structure – Build-up of the Promoters’ shareholding in our Company” at page 81.

#### Details of pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

#### Weighted average cost of acquisition for all Equity Shares transacted in one year and three years preceding the date of the Red Herring Prospectus by all the Shareholders

The weighted average cost of acquisition for all Equity Shares acquired in one year and three years preceding the date of the Red Herring Prospectus by all the Shareholders is set forth below:

Period	Weighted Average Cost of Acquisition (in ₹) <sup>*#</sup>	Cap Price is ‘X’ times the weighted average cost of acquisition*	Range of acquisition price: Lowest price – Highest price (in ₹) <sup>*#</sup>
Last one year	[●]	[●]	[●] [●]
Last three years	[●]	[●]	[●] [●]

<sup>\*</sup>To be included on finalisation of Price Band.

<sup>#</sup>As certified by our Statutory Auditors by way of their certificate dated July 27, 2022.

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

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

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

Our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

#### Exemption from complying with any provisions of securities laws, if any

Our Company has not applied to SEBI for any exemption from complying with any provisions of securities laws.

## SECTION II: RISK FACTORS

### RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares pursuant to the Offer. The risks described below are not the only ones relevant to us or the Equity Shares or the industry in which we operate or to India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 150, 102 and 261, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see “Forward-Looking Statements” beginning on page 24.*

*Unless otherwise indicated, industry and market data used in this section has been derived and excerpted from the Industry Report titled “Industry Research Report on E-filing of Income Tax Returns in India” prepared and released by Fitch Solutions in July 19, 2022 (“Fitch Report”), which our Company appointed on April 30, 2022 and which was paid for by our Company for the purposes of understanding the industry exclusively in connection with the Offer. Given the scope and extent of the Fitch Report, disclosures are limited to certain excerpts and the Fitch Report has not been reproduced in its entirety in this Draft Red Herring Prospectus.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year.*

### INTERNAL RISK FACTORS

#### Risk relating to Our Business and Our Industry

- 1. Certain of our corporate filings and records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

Certain of our Company’s corporate regulatory filings and records have errors as the relevant information was wrongly captured in the RoC forms filed with the MCA. All these filings and records comprise of certain missing attachments in the forms, certain typographical errors in the attachments to the RoC forms, wrongly reflected entry of the paid up capital of our Company in multiple Form PAS-3 after such allotments were not updated to reflect the resultant paid up capital of our Company etc. The details of the errors made comprise of i) resolution and notice of EGM dated November 27, 2017 for increase in authorised share capital from ₹1,00,000 to ₹1,00,00,000 are not attached in the RoC form SH-7; ii) in the RoC form PAS-3

for the allotment of 27,000 Equity Shares, the signing date of board resolution is wrongly mentioned as December 01, 2017 instead of December 22, 2017; iii) in the RoC form PAS-3 for the allotment of 1,00,000 Equity Shares, the date of board resolution is wrongly mentioned as January 16, 2017 instead of January 16, 2018 and the paid-up share capital details after allotment is wrongly mentioned as 4,63,500 Equity Shares instead of 5,63,500 Equity Shares, iv) in the RoC form PAS-3 for the allotment of 20,000 Equity Shares, the date of allotment is wrongly mentioned as January 02, 2018 instead of January 25, 2018, and in the board resolution, the number of Equity Shares is wrongly mentioned as 2,00,000 Equity Shares instead of 20,000 Equity Shares and the paid-up share capital details after allotment is wrongly mentioned as 4,63,500 Equity Shares instead of 5,83,500 Equity Shares; v) In the RoC form PAS-3 for the allotment of 2,52,500 Equity Shares on right issue basis, the shareholders resolution date has been inadvertently entered as March 22, 2018 as March 22, 2018 is a board resolution date; vi) In the RoC form PAS-3 for allotment of 1,00,000 Equity Shares on right issue basis the date of board resolution is wrongly mentioned as August 31, 2018 instead of August 24, 2018 and the shareholders resolution date has been inadvertently entered in the RoC form as August 24, 2018 instead of nil; vii) In the RoC form DIR-12 for the appointment of Samir Jayaswal as a director, he was appointed as a director in the board meeting dated September 3, 2018 instead of an additional director and the board resolution wrongly mentions his appointment as being w.e.f. September 18, 2018 instead of September 3, 2018; viii) In the RoC form ADT-1 for the appointment of Hemant Shah & Associates LLP, as an auditor, the board resolution is attached instead of an AGM resolution and the date of the AGM is wrongly mentioned as September 29, 2018 instead of September 30, 2018; ix) In the RoC form PAS-3 for the allotment of 15,000 Equity Shares, the date of the board resolution is wrongly mentioned as October 19, 2018 instead of October 26, 2018 and the details of allotment of Equity Shares in the board resolution is wrongly mentioned as 1,50,000 Equity Shares instead of 15,000 Equity Shares and the shareholders resolution date has been inadvertently entered as October 19, 2018 instead of nil; x) In the RoC form PAS-3 for the allotment of 10,000 Equity Shares, the shareholders resolution date has been inadvertently entered as December 10, 2018 instead of nil; xi) In the RoC form PAS-3 for the allotment of 5,000 Equity Shares, the shareholders resolution date has been inadvertently entered as December 22, 2018 instead of nil; xii) In the RoC form PAS-3 for the allotment of 3,00,000 Equity Shares, the shareholders resolution date has been inadvertently entered as December 25, 2018 instead of nil; xiii) In the RoC form PAS-3 for the allotment of 2,05,000 Equity Shares, the shareholders resolution date has been inadvertently entered as January 23, 2019 instead of nil; xiv) In the RoC form PAS-3 for the allotment of 1,30,000 Equity Shares, the shareholders resolution date has been inadvertently entered as January 31, 2019 instead of nil; xv) In the RoC form PAS-3 for the allotment of 2,60,000 Equity Shares, the shareholders resolution date has been inadvertently entered as March 08, 2019 instead of nil; xvi) In the RoC form PAS-3 for allotment of 90,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 24,91,000 Equity Shares instead of 23,06,000 Equity Shares and the shareholders resolution date has been inadvertently entered as March 20, 2019 instead of nil; xvii) In the RoC form PAS-3 for the allotment of 1,45,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 26,36,000 Equity Shares instead of 24,51,000 Equity Shares and the shareholders resolution date has been inadvertently entered as March 25, 2019 instead of nil; xviii) In the RoC form PAS-3 for the allotment of 75,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 22,91,000 Equity Shares instead of 25,26,000 Equity Shares and the shareholders resolution date has been inadvertently entered as March 30, 2019 instead of nil; xix) In the RoC form PAS-3 for the allotment of 1,10,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 24,01,000 Equity Shares instead of 26,36,000 Equity Shares and the shareholders resolution date has been inadvertently entered as April 26, 2019 instead of nil; xx) In the RoC form PAS-3 for the allotment of 1,05,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 58,23,500 Equity Shares instead of 51,13,500 Equity Shares; xxi) In the RoC form PAS-3 for the allotment of 7,10,000 Equity Shares, the paid-up share capital details after allotment is wrongly mentioned as 57,18,500 Equity Shares instead of 58,23,500 Equity Shares.(collectively referred to as the “**Errors**”). However, our Company has passed the board resolution on June 27, 2022 as well as filed the RoC form MGT-14 on June 29, 2022 to intimate the abovementioned Errors, While no legal proceedings or regulatory action has been initiated against our Company or is pending in relation to these wrong secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will be imposed by regulatory authorities on our Company in this respect in the future.

2. *We have recently launched a new platform, Finbingo and we cannot assure you if we will be able to attract Users and/or maintain our revenue generated from this platform.*



We have recently launched our new platform, Finbingo in May 2022 that is involved in providing Financial Solutions to our Users. As of June 30, 2022, we have only 872 Users. which is lower as compared to our Users for TaxBuddy. There can be no assurance that we will be successful in attracting and/or retaining Users for Finbingo. As of Fiscal 2022, our revenue from operations from Finbingo platform was ₹1,035.26 thousand, which was on account of an agreement entered by us with Axis Securities Limited for integrating the Finbingo tools on their platform for providing services to their clients and from Subscribers accessing the beta version of the Finbingo platform. We cannot assure you whether we will be able to maintain our revenue. The potential Users may decide not to avail our service, or spend on our platform may not yield the intended return on investment, any of which could negatively affect our financial results We cannot assure you that we will be able to consummate new platform in the future. In addition, launching new platform may involve a number of special risks, including, but not limited to, adverse short-term effects on our reported operating results, diversion of management's attention, difficulties assimilating and integrating the operations of the new platform with existing business and unanticipated liabilities or contingencies relating to the new platform.

**3. *If we are unable to attract new Users and Customers to our platform, retain and grow our relationships with our existing Users or Customers, our business, results of operations, financial condition, cash flows and prospects could be adversely affected.***

Our growth depends on our ability to acquire new Users and Customers to our platform, retain and grow our relationships with our existing Users and Customers, thereby increasing the number of subscriptions for the services provided to the Users and Customers on our platform. The growth of our subscription is driven by the number of Users on our platform and the growth of our Users' value. We rely on the continuing growth of our Users and our service offerings in order to expand our subscriptions and our operations. Our total number of Users has grown from 20,302 of March 31, 2020 to 4,40,484 as of March 31, 2022. Our total number of Subscribers has grown from 1,360 as of March 31, 2020 to 19,202 as of March 31, 2022. Our subscription has increased by 14.12x in the last three Fiscals. Further, once we onboard new Users on our platform, our subscription may not proportionately increase as our new Users take a period of time to subscribe to the services and solutions offered on our platform. The willingness of our Users to use our platform depends upon, among other things:

- the variety and quality of our service and product offerings;
- our pricing and subscription model (particularly in regard to providing annual subscription and providing certain services which are free of cost), in particular in comparison to competing products and services;
- the strength of our brand and reputation;
- attractiveness to Users of our integrated platform, including ease of operation, user-friendliness;
- design of the interface;
- the reliability, performance and functionality of our platform;
- other information services;
- our competitors' offerings; and
- our Users' trust and satisfaction.

If we are unable to grow our User base, maintain relationships with our Partners or increase subscriptions on our platform, our platform may struggle to gain wider acceptance as a B2C platform, which in turn may impede our ability to grow our revenues and business.

If we fail to retain or maintain our existing Users or Customers or if we fail to acquire new Users, our business, results of operations, financial condition, cash flows and prospects may be adversely affected.

**4. *Our efforts to acquire new Users and retain existing Users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue.***

A significant component of our growth strategy includes continually attracting new Users in a cost-effective manner. This comprises value-conscious, salaried Users who have a budget-led approach to filing income tax return and access the internet. A significant number of such Users are located in the Tier 2+ cities of India. We have a strong focus on catering to the service demand arising from Users in Tier 2+ cities of India. We plan to attract Users by promoting the affordability and assortment of the services listed on our platform, as well as ensuring a quality User experience. We believe that this will drive the growth of our revenue. We also typically incur significant marketing and business promotion expenses to promote our platform. For the Fiscals 2022, 2021 and 2020, our marketing and business promotion expense were ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, respectively.

Our expenses towards marketing and business promotion may not effectively secure potential Users, potential Users may decide not to avail our service, or spend on our platform may not yield the intended return on investment, any of which could negatively affect our financial results. We have experienced a drop in our subscription rate in the past. Our Subscriber retention rates for Fiscal 2021 and Fiscal 2022 were 79.00% and 49.00%, respectively. We cannot assure you that we will not experience such situations in the future which may have in effect on our financial conditions. Many factors, some of which are beyond our control, may reduce our ability to acquire, maintain and further engage with Users, including those described in this section and the following:

- i. the inability of our professionals or experts to maintain the quality standards of the service on our platform could adversely affect our ability to acquire new Users and retain existing Users;
- ii. changes in advertising platforms' pricing, which could result in higher advertising costs;
- iii. changes in digital advertising platforms' policies that may delay or prevent us from advertising through these channels, which could result in reduced traffic to our platform;
- iv. an increase in competition from peer group;
- v. ineffectiveness of our marketing efforts and other spend to continue to acquire new Users and maintain and increase engagement with existing Users; and
- vi. decline in popularity of, or governmental restrictions on, social media platforms where we advertise.

As a result of any of these factors or any additional factors that are outside our control, if we are unable to continue acquiring new Users or increasing engagement with existing Users, it could have a material adverse effect on our business, financial condition, results of operations, and prospects.

**5. *The seasonality of our business affects our quarterly results and places an increased strain on our operations.***



We are a technology-driven financial products and services platform focusing on providing end-to-end financial solutions in the area of tax planning and filing, personal investment advisory, wealth building etc. We have historically experienced seasonal fluctuation in the usage of our technology platform, with higher usage associated with the regulatory filings during the first, second and fourth quarters of each Financial Year. These seasonal variations in user demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of the Financial Year and certain periods may not be indicative of our financial position for a full Financial Year or future quarters or periods and may be below market expectations. Since our business is seasonal in nature, we are vulnerable to non-availability of adequate resources such as employees, tax experts, technical staff and software and hardware infrastructure to respond to the increased demand of request from Users and solutions during the peak filing season. In the event, we are unable to source adequate resources and effectively respond to the increased demand, we may face the risk of losing our Users to our competitors which could lead to significant reduction in our User base. Our inability to effectively and in a timely manner respond to the above-mentioned events

might affect our brand image and our ability to capitalise the opportunities which such spurred demand offers for our business and in turn could adversely affect our cash flows, financial condition and business operations.

- 6. Our Registered Office is owned by our Group Company from whom we have taken on leave and license basis. There can be no assurance that the leave and license agreement will be renewed upon termination or that we will be able to obtain other premises on leave and license on same or similar commercial terms.***

We do not own our Registered Office located in Mumbai which is owned by Empyrean Cashews Limited, our Group Company, and we have entered into a leave and license agreement dated September 01, 2020 to August 31, 2023 which is valid for a period 36 months with them, for the usage of this property as our Registered Office. For further details, see “*Our Business – Properties*” on page 170. This leave and license agreement may be terminated in accordance with its term, and any termination or non-renewal of such leave and license could adversely affect our operations. We cannot assure you that we will be able to renew our leave and license on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations, during this period, we may have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial conditions.

- 7. We operate our business through our logo  which is not registered with the Trademark Registry. Further, any inability to protect our intellectual property or know-how from third party infringement may adversely affect our business and prospects.***

We operate our business through our logo  which is not registered with the Trademark Registry and we have applied for the same which is currently pending. We have registered our brand, “Finbingo ” as trademark for a platform that provides online consultancy and filing services. Further, we have applied for the registration of the logo  of our Company with the Trademark Registry, Mumbai which is currently pending. For details, see “*Our Business – Intellectual Property*” and “*Government and other approvals Pending Applications*” on pages 170 and 293, respectively.

In the absence of this trademark we may not be able to initiate an infringement action against any third party who maybe infringing our trademarks. With respect to our trademarks that have been applied for and/or objected or opposed we cannot assure you that we will be successful in such a challenge. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted.

We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be successfully opposed or otherwise challenged. We also rely on technical knowledge, product information, industry data, manufacturing expertise and market “knowhow” that cannot be registered and is not subject to any confidentiality or non-disclosure clauses or agreements. If such know-how is leaked to third parties, this could erode our competitive advantage.

- 8. Our Registered Office is not insured and if we incur any loss/damage to the premises it would have an adverse effect on our financial conditions, results of operation and cash flows.***

We do not maintain any insurance policies including for our Registered Office. In the event we suffer any loss or damage to our Registered Office, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

- 9. Net Proceeds from the Offer are proposed to be utilised over a period of three financial years, in case the products/services are not procured/availed immediately, there might be an increase in quotation from the vendors/service providers, it may affect our ability to implement the strategy. Also, the benefits to be reaped from implementing such strategy might not be immediate and we may face some delay.***

We intend to deploy the Net Proceeds towards the Objects, over three Financial Years (“**Deployment Period**”) from listing of the Equity Shares pursuant to the Offer, in accordance with the business needs of our Company. However, the actual deployment of funds will depend on a number of factors, including but not limited to, market conditions, our Board’s analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Depending upon such factors, we may have to reduce or extend the Deployment Period for the stated Objects at the discretion of our management. We have obtained certain quotations from vendors/service providers in relation to the Objects of the Offer. In case of extending the deployment of funds beyond the expected schedule of three financial years or if the products/services are not procured/availed immediately, there may be an increase in the price of such quotations which may affect our ability to implement our strategy.

Also, we might not be able to reap or observe the benefits of implementing such strategy on real time basis and expected turnaround of implementing such strategies may defer.

**10. There are certain outstanding legal proceedings involving our Company, Promoters and our Directors Failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition, results of ongoing operations and reputation.**

As of the date of this Draft Red Herring Prospectus, our Company, Promoters and our Directors are involved in certain tax (direct and indirect) proceedings, which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities.

A summary of pending litigations involving our Company, Promoters, our Directors and Group Companies has been provided below:

<b>Types of Proceedings</b>	<b>Number of Cases</b>	<b>Amount (₹ in thousand)*</b>
<b><i>Litigation against our Company</i></b>		
Criminal Proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other material litigations against our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b><i>Litigation by our Company</i></b>		
Criminal Proceedings	Nil	Nil
Other material litigations by our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b><i>Litigation against our Directors</i></b>		
Criminal Proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	6	12,200.07
Other material litigations against our Directors	Nil	Nil
<b>Total</b>	<b>6</b>	<b>12,200.07</b>
<b><i>Litigation by our Directors</i></b>		
Criminal proceedings	Nil	Nil
Other material litigations by our Directors	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b><i>Litigation against our Promoters</i></b>		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action	Nil	Nil
Claims related to direct and indirect taxes	3	12,200.07
Other material litigations against our Promoters	Nil	Nil
<b>Total</b>	<b>3</b>	<b>12,200.07</b>

Types of Proceedings	Number of Cases	Amount (₹ in thousand)*
<b>Litigation by our Promoters</b>		
Criminal proceedings	Nil	Nil
Other material litigations by our Promoters	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigations involving the Group Companies</b>		
Pending litigation which has a material impact on our Company	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

\*To the extent quantifiable.

- 11. Our business depends on a strong brand and corporate reputation and if we are not able to maintain and enhance our brand, our ability to grow our business and our results of operations and financial condition may be adversely affected. Much of our value is based on our brand and reputation, and a single inappropriate action by a Customer or negative publicity could destroy that reputation and the firm's value**

Our business grows on the trust of our Users. This trust is built based on the knowledge and services offered by us to our Users. This helps us generate strong organic growth through word-of-mouth. As our platform continues to scale and public awareness of our brand increases, any future issues that draw media coverage could have an amplified negative effect on our reputation and brand.

Since many of our specific Customers engagements involve highly tailored solutions, our corporate reputation is a significant factor in our Users', Subscribers', and prospective users', subscribers' determination of whether to continue engaging us or hire us for prospective services. We believe that our brand name and reputation are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented professionals. However, our corporate reputation is susceptible to damage by various factors such as actions or statements made by current or former employees or Customers, competitors, vendors and adversaries in legal proceedings, as well as members of the investment community and the media. There is a risk that negative information about our Company, even if based on false rumours or misunderstandings, could adversely affect our business. Although we have not experienced such instances in the past, any negative news affecting us might also affect our reputation and brand value. In particular, damage to our reputation could be difficult and time consuming to repair, especially due to the competitiveness in our industry, which could make potential or existing Customers reluctant to select us for new engagements or renew subscriptions, resulting in a loss of business, and could adversely affect our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name, could reduce investor confidence in us, affect the price of our Equity Shares and adversely affect our ability to grow our business and our results of operations and financial condition.

Further, according to Fitch, TaxBuddy also has over 5,600 google reviews with 4.9 rating on google reviews. When a prospective User scans the search results for a service on public search engines /websites, the business listings that include customer reviews present greater credibility and, naturally, receive more clicks. This helps us generate strong organic growth through word-of-mouth. In the event there is any bad review or a fall in our average rating, it may have an adverse impact on our brand and reputation and may, thereby, have an impact on our ability to attract and/or retain Customers, and thereby our business and financial conditions.

In addition, negative publicity related to key brands or by any influencers may damage our reputation, even if the publicity is not directly related to us. Any negative publicity that we may receive could diminish confidence in, and the use of, our platform and may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further increase our costs of doing business and adversely affect our brand. Negative publicity can influence other users and prospective customers towards our brand. As a result, any impairment or damage to our brand, including as a result of these or other factors, could adversely affect our sales, business, reputation, cash flows, results of operations and financial condition.

Although there have been no instances in the past of a breach of the security measures however any such instance, could result in the exfiltration of confidential corporate information or other data that may provide additional avenues of attack, and if a high profile security breach occurs with respect to a comparable identity and access management provider, our Users and potential Users may lose trust in identity and access management providers generally, which could adversely impact our ability to retain existing Users or attract new ones, potentially causing a negative impact on our business. Any of these outcomes could negatively impact market acceptance of our platform and our business, financial condition, and results of operations could be adversely affected.

**12. *Our success depends substantially on the continuing services of our Promoters, senior executives and other key personnel. If we are unable to attract and retain senior executives, we may not be able to grow effectively, which may adversely affect our business, results of operations and financial condition.***

Our future success heavily depends upon the continued services of our Promoters, senior executives and other key employees including the contributions of our tax experts and our trained professionals in the areas of AI, ML and automation and our ability to attract and retain qualified professionals generally. We currently do not maintain directors and officers liability insurance for our Promoters, Directors and officers, and if one or more of our senior executives or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily or at all. If we lose the services of any of the members of key management, we may not be able to locate suitable or qualified replacements in time and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and growth. If any of our key managerial personnel joins a competitor or forms a competing business, we may lose customers, know-how and key professionals and staff members. Further, if any dispute arises between any of the members of our management and us, we may have to incur substantial costs and expenses in order to enforce any confidentiality, non-compete or similar provisions in our agreements with our Promoters or key managerial personnel in India, or we may be unable to enforce them at all. We face intense competition for highly skilled employees especially as part of our product engineering and research, product operations, product testing teams and taxation team. As of June 30, 2022, we had 23 employees as part of our product engineering and research, product operations and product testing teams and 499 employees as part of our taxation team. For further details on our employees, see “*Our Business – Human Resources*” on page 43. To attract and retain top talent, we have had to offer, and we believe we will need to continue to offer, competitive compensation and benefits packages. Competition for talent in the Indian internet industry is intense, and we may need to offer more attractive compensations and other benefits packages to attract and retain them.

We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. For example, in Fiscals 2022, 2021 and 2020 our attrition rate was less than 20%. During Fiscals 2022, 2020 and 2021, none of the key management persons had resigned from our Company. We may encounter higher attrition rates in the future. A significant increase in the attrition rate among skilled professionals with specialised skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our services. The competition for highly-skilled professionals may require us to increase salaries, and we may be unable to pass on these increased costs to our Customers. This would increase our operational costs which may adversely affect our business, results of operations and financial condition. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

If any of our senior executives or key personnel joins a competitor or forms a competing company, we may lose customers, Users, know-how and key professionals and staff members to them which may materially adversely affect our business, financial condition and results of operations. Additionally, there could be unauthorised disclosure or use of our technical knowledge, practices or procedures by such personnel. If any dispute arises between our senior executives or key personnel and us, any non-competition, non-solicitation and non-disclosure provisions in our employment agreements we have with our senior executives or key personnel might not provide effective protection to us.

If we cannot attract and retain qualified personnel or find an appropriate replacement, it may materially and adversely affect our business, financial condition, and results of operations. In addition, our ability to

maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled professionals, including experienced tax professionals and management IT professionals, with a good experience in AI and ML, which enables us to keep pace with growing demands for outsourcing, evolving industry standards and changing User preferences. If we fail in retaining talent and nurturing the new talent pool, we may have to forgo new applications and features for lack of resources or be unable to staff projects optimally which may restrict the growth of the business or fail to service the existing business thereby leading to a long term business decline. Our failure to attract, train and retain professionals with the qualifications necessary to fulfil the needs of our existing and future Users or to assimilate new professionals successfully could materially adversely affect our business, financial condition and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

**13. We have experienced negative cash flows in prior years.**

We have experienced negative cash flows from operations in the recent past. Our consolidated cash flow for Fiscals 2022, 2021 and 2020 are set forth in the table below:

(₹ in thousand)

Particulars	Fiscal		
	2022	2021	2020
Net cash flows from/(used in) operating activities	(87,835.62)	(24,340.22)	(4,092.41)
Net cash flows from/(used in) investing activities	(11,767.82)	(18,011.51)	(33,112.22)
Net cash flows from/(used in) financing activities	85,036.26	56,579.68	37,690.00
<b>Cash and cash equivalents at the end of the year</b>	<b>922.21</b>	<b>15,489.38</b>	<b>1,261.42</b>

Our net cash flows used in operating activities increased from ₹(4092.41) thousand in the Fiscal 2020 to ₹(24,340.22) thousand in Fiscal 2021 and decreased to ₹(87,835.62) thousand in Fiscal 2022, primarily because we recorded losses in Fiscals 2022, 2021 and 2020, as we were investing in expanding our operations during the said periods. Net cash flows used in investing activities for Fiscal 2022 was ₹(11,767.82) thousand, on account of sale of mutual fund, by increase in capitalisation of intangible assets and also due to purchase of PPE. Net cash flows used in investing activities for Fiscal 2020 was ₹(33,112.22) thousand, on account of sale of mutual fund, by increase in capitalisation of intangible assets and also due to purchase of PPE.

Any negative cash flows in the future could adversely affect our results of operations and financial condition. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 261 for more details.

**14. Our business could be negatively affected by cyber or other security threats or other disruptions.**

We face cyber threats as well as the potential for business disruptions associated with information technology failures, data leakage, natural disasters or public health crises. For further details, please see “*Our Business - Technology and Infrastructure*” on page 168.

Although we have not experienced any cyber security threats in the past, we cannot assure you that our Company, shall not experience any cyber security threats, threats to our information technology infrastructure and attempts to gain access to the sensitive information of our Company. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at our data centres as well as at our Registered Office are also secured with firewalls and intrusion preventions systems to prevent hacking. While we have backed up most of our data in certain data centres using cloud infrastructure and parallel back-up servers to minimise any impact from such threats, we cannot assure you that we will not experience security threats to our technology infrastructure in the future.

The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. Occurrence of any of these events could adversely affect our internal operations, the services we provide to our Users and our Consumers loss of competitive advantages derived from our research and development efforts or other intellectual property, early obsolescence of our products and services, our future financial results, our reputation or our stock price.

15. ***We have contingent liabilities in our balance sheet, as restated, as on March 31, 2022. The realization of our contingent liabilities may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.***

The following are the contingent liabilities on a consolidated basis in our balance sheet, as restated, as at March 31, 2022:

<i>(₹ in thousand)</i>	
Particulars	For year ended March 31, 2022
Contingent Liabilities*	Not quantifiable
Commitments	

*\*Our Company has made various corporate filings with the MCA since incorporation which had typographical errors and subsequently, our Company has intimated such corrections by filing requisite form with the MCA. As of now, our Company has not received any kind of communication or notice from the MCA regarding these typographical errors. However, we cannot assure that the MCA may initiate appropriate action against our Company and may levy penalty against our Company in future. Hence, as of the date of the financial statement, we are unable to quantify the penalty.*

If any of these actually occur in the future, they may adversely impact our profitability and may have a material adverse effect on our business, financial condition and our results of operations.

16. ***We are subject to extensive government regulation and we require certain approvals and licenses in the ordinary course of business, and the failure to obtain, maintain or renew them in a timely manner may materially adversely affect our operations. Further, we may be subject to penalties for the non-compliances made by us with respect to certain regulatory authorities.***

Our operations are subject to various government regulation and we are required to maintain certain licenses, approvals, permits and registrations under central, state and local government rules in India, generally for carrying out our business. For details of applicable regulations and approvals relating to our business and operations, see “Key Regulations and Policies” and “Government and Other Approvals” beginning on pages 171 and 293, respectively.

We require such permissions in order to operate our business and such licenses generally require time to time renewals. We have certain labour registrations and licenses which are important for carrying out our business at our Registered Office for which we must apply for registrations of such permissions from time to time, as required.

In addition, in the ordinary course of our business, we may apply for renewal of any relevant licenses, approvals, permits and registrations that may have expired. There can be no assurance that the relevant authorities will grant the required permissions or renew the expired licenses and approvals in the anticipated time frame, on terms that are acceptable to us, or at all. Further, the approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

17. ***Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profitability and financial condition.***

We have implemented the ESOP Plan. As of the date of this Draft Red Herring Prospectus, we have 1,15,411 outstanding employee stock options under the ESOP Plan, which if exercised, would result in 1,15,411



Equity Shares and we may grant additional stock options pursuant to other employee stock option schemes that we may implement in the future. Grants of stock options results in a charge to our statement of profit and loss and reduce, to that extent, our reported profits in future periods. Any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Plan or any other employee stock option scheme we may implement in the future, may dilute your shareholding in our Company, adversely affecting the trading price of the Equity Shares and our ability to raise capital through an issuance of new securities. For further details in relation to ESOP Plan, see “*Capital Structure— Notes to Capital Structure — Employee Stock Option Schemes*” on page 85.

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

We propose to utilize a substantial portion of the Net Proceeds for User acquisition and technology upgradation. For further details of the proposed objects of the Offer, see “*Objects of the Offer*” beginning on page 88. We cannot currently determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act and the SEBI ICDR Regulations, we cannot undertake any variation in the utilisation of the Net Proceeds from the Offer as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations.

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

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

**19. *Systems failures and resulting interruptions in the availability of our platform could adversely affect our business, financial condition, cash flows and results of operations.***

The proper functioning of our technology infrastructure is essential to the conduct of our business. Specifically, the satisfactory performance, reliability and availability of our platform and our network infrastructure are critical to our success and our ability to attract and retain Users and provide adequate services. It is critical to our success that all Users are able to access our platform, at all times. Our systems, or those of third parties upon which we rely, may experience service interruptions or degradation or other performance problems because of hardware and software defects or malfunctions, unexpected high volume of transactions and other cyberattacks, infrastructure changes, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, unauthorized access, fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, computer viruses, ransomware, malware, or other events. Our systems also may be subject to break-ins, sabotage, theft and intentional acts of vandalism, including by our own employees, all of which would impact our ability to provide secure and uninterrupted access to our platform, which could have an adverse impact on our operations and reputation. We have not availed a business interruption insurance and accordingly, we will not be able to cover our losses that may result from interruptions in our service as a result of systems failures and similar events.

Any failure to maintain and improve our technology infrastructure could result in unanticipated system disruptions, slower response time, impaired Customer and User experience and failures in risk management.

The risks of these events occurring could be higher during certain periods of peak usage and activity, such as on and around the tax filing season including GST and ITR by our Users. In addition, much of the software and interfaces we use are internally developed. If we experience problems with the functionality and effectiveness of our software, interfaces or platform, or are unable to maintain and continuously improve our technology infrastructure to handle our business needs, our business, financial condition, cash flows, results of operations and prospects, as well as our reputation and brand, could be materially and adversely affected.

We may experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our platform. These system failures generally occur either as a result of software updates being deployed with unexpected errors or as a result of temporary infrastructure failures related to storage, network, or computing capacity being exhausted. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Even a minor interruption in the availability or reduction in the availability, speed, or other functionality of our platform could adversely affect our business and reputation and could result in the loss of customers.

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered at a subsequent stage or may not get discovered at all. Our practice is to release frequent software updates. Any third-party software that we integrate into our platform, may also be subject to errors or vulnerabilities. Any errors, vulnerabilities or infringements discovered in our code after release could result in negative publicity, a loss of User or loss of revenue, legal proceedings, and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of the participants on our platform, or otherwise result in a security breach or other security incident. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities.

Furthermore, for the purposes of our technology infrastructure, products and services, including our service offerings, we engage third parties providing cloud services and payment gateway services and incorporate their software, systems and technologies. Any disruptions of or interference with our use of such services would impair our ability to deliver our services and products to our Users or our Customers. Further, we may not easily switch our operations to another third party service provider, such that any disruption of or interference with our use of such providers' services would increase our operating costs and could adversely affect our business, financial condition and results of operations, and we might not be able to secure service from an alternative provider on similar terms or at all. We also need to continuously enhance our existing technology. Otherwise, we face the risk of our technology infrastructure becoming unstable and susceptible to security breaches. This instability or susceptibility could create serious challenges to the security and uninterrupted operation of our platforms, products and services, which would adversely affect our business and reputation.

- 20. *Our business depends on our ability to remain updated with new technologies and continue to develop solutions to address the needs of our Customers. Any failure to adapt with the advances in technology or develop and introduce new and complementary products and services in a timely manner, may have an adverse impact on our business and financial conditions.***

We are a technology driven company. We have made significant investments in our technology infrastructure, including towards AI development, data analytics capabilities, process automation to strengthen our services and customer experience. We have spent around ₹35,885.01 thousand, ₹22,979.21 thousand and ₹53,744.22 thousand towards technology infrastructure expense in the Fiscals 2022, Fiscal 2021 and Fiscal 2020. We believe that we have developed a scalable platform with tech-enabled infrastructure to meet the requirements of our Customers. Our product technical framework is built using microservice architecture, which is a variant of the service-oriented architecture structural style. In this type of architecture, the services are fine grained and the protocols are lightweight, enabling rapid, frequent and reliable delivery of large, complex applications. Further, our platform uses AI based technology which has helped us in maturing our proprietary tools like tax planner, wealth builder, portfolio doctor which are all developed in-house. Our team is constantly evaluating our technology solutions and our customer requirements to increase the levels of digitization, create new features and services, improve operational efficiency for us and enhance the levels or automation of processes. We plan to continuously improve our

information technology systems and infrastructure. Since our quality and turn-around time is key to our success and customer satisfaction, our technology is constantly being upgraded.

Any loss of application functionality may lead to potential business interruptions for Users, Subscribers, business disputes and a potential loss of future business.

Developing and launching enhancements to our platforms and new services on our platforms may also involve significant technical risks and upfront capital investments that may not generate return on investment. We may use new technologies ineffectively, or we may fail to adapt to emerging industry standards. If we face material delays in introducing new or enhanced platform features and services or if our recently introduced offerings do not perform in accordance with our expectations, our Users may forego the use of our services in favour of those of our competitors.

Our results of operations and financial condition depend on our ability to develop and introduce new and complementary products and services, as well as our ability to modify and upgrade our existing products and services. The process of developing new and complementary products and services or modifying existing products and services is complex and requires us to accurately predict and respond to 'Users' changing and diverse needs and emerging technological trends. The success of our new and complementary products and services will depend on several factors, including proper identification of market demands and the competitiveness of our products and services with the products and services introduced by our competitors. We cannot be sure that we will successfully identify new and complementary product and service opportunities, develop and introduce new products and services in a timely manner, price such new and complementary products and services at optimal levels, modify and upgrade existing products and services, achieve market acceptance of our products and services, or that products and services offered by our competitors will not render our products and services non-competitive. Our failure to respond successfully to any of these challenges will significantly harm our business, results of operations, cash flows and financial conditions.

Further, majority of our technology is built upon the open-source frameworks and tools. Accordingly, there exists a reasonable technology risk to such open source tools and technologies in case there are no future upgrades in such open-source tools making our end products less attractive from the stakeholders value proposition point of view.

**21. *We rely heavily on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively operate our platforms or provide our products and services.***

Our business could be impacted by the failure of telecommunications network operators to provide us with the requisite bandwidth which could also interfere with the speed and availability of our platform, as well as by breakdowns at the level of our internet service providers. Additionally, systems, application components and software that are developed internally may contain undetected errors, defects or bugs, which we may not be able to detect and repair in time, in a cost-effective manner or at all. In such circumstances, we may be liable for all or some costs and damages, as we would not be entitled to any indemnification or warranty that may have been available if we had obtained such systems or software from third-party providers. Disruptions or instabilities in telecommunications networks, our platforms, servers and databases as well as the functioning of internet service providers could lead to dissatisfaction among our Users and damage our reputation.

In addition, to performing reliably, the fixed telecommunications networks and internet infrastructure of ISPs in India, require maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. We cannot assure you that our back-up and disaster recovery measures would effectively eliminate or alleviate the risks arising from the above contingencies. Our success will depend upon third parties maintaining and improving internet infrastructure to provide a reliable network with adequate speed and data capacity and telecommunication networks with good quality of services and low congestion.

**22. *We have incurred losses in the past. In the event we incur net loss in the future, our business and financial condition may be adversely affected.***

We reported restated loss for the year amounting to ₹(88,901.65) thousand ₹(27,570.65) thousand and ₹(4,655.57) thousand in Fiscal 2022, 2021 and 2020 respectively as per our Restated Financial Statements. Our losses in Fiscal 2022, 2021 and 2020 were primarily on account of advertisement expenses, which affected our EBIDTA. Our operating costs and other expenses may be greater than we anticipate, and our investments to make our business and our operations more efficient may not be successful. Increases in our costs, expenses and investments may reduce our margins and materially adversely affect our business, financial condition and results of operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. We cannot guarantee that we will be able to generate any profits in the future.

In accordance with the Companies Act and our dividend policy, dividend may be distributed only from profits generated in any Fiscal. Accordingly, our Company will not be able to distribute dividends in any Fiscal in which it incurs a loss. Further losses, if any, in future, could adversely impact our operations, financial condition and the trading price of our Equity Shares. For further details on our dividend policy, see “*Dividend Policy*” beginning on page 201.

**23. *Our business, results of operations and financial condition could be negatively affected if we incur legal liability, including with respect to our indemnification obligations, in connection with providing our solutions and services.***

If we fail to meet our contractual obligations or otherwise breach obligations in terms of our contractual arrangements, we could be subject to legal liability. If we cannot or do not perform our obligations, we could face legal liability and our contracts might not always protect us adequately through limitations on the scope and/or amount of our potential liability. If we cannot, or do not, meet our contractual obligations to provide solutions and services, and if our exposure is not adequately limited through the terms of our agreements, we might face significant legal liability and our business could be materially adversely affected.

In the normal course of business, we have entered into contractual arrangements through which we may be obligated to indemnify customers or other parties with whom we conduct business with respect to certain matters. These arrangements can include provisions whereby we agree to defend and hold the indemnified party and certain of their affiliates harmless with respect to claims from any liability arising from or related to a breach of obligation, terms or any acts, errors, representations, misrepresentations, wilful misconduct or negligence by our Company and agents in performance of the obligations made by us. Payments by us under any of these arrangements are generally conditioned on the Customer making a claim and providing us with full control over the defence and settlement of such claim. It is not possible to determine the maximum potential amount under these indemnification agreements due to the unique facts and circumstances involved in an agreement, and any claims under these agreements may not be subject to liability limits or exclusion of consequential, indirect or punitive damages. Historically, we have not made payments under these indemnification agreements. However, if events arise requiring us to make payment for indemnification claims under our indemnification obligations in contracts we have entered, such payments could have a material impact on our business, financial condition and results of operations.

**24. *We cannot assure payment of dividends on the Equity Shares in the future.***

Our Company has a formal dividend policy as on the date of this Draft Red Herring Prospectus. Our Company has however not declared dividends on the Equity Shares during the current Fiscal Year and the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to our dividend policy, see “*Dividend Policy*” beginning on page 201.

**25. *Our Promoters, certain of our Directors and Key Managerial Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, certain of our Directors and Key Managerial Personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Our

Promoters, certain Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “*Capital Structure*”, “*Our Management – Interests of our Directors*” and “*Our Promoter and Promoter Group – Interests of our Promoters*” on pages 75, 184 and 196, respectively.

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

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although going forward, all related party transactions that we may enter into, will be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. For further details, please see “*Financial Statements – Related Party Transactions Note 37*” on page 252.

**27. *We will continue to be controlled by our Promoters after the completion of the Offer.***

After the completion of the Offer, our Promoters will continue to hold a significant percentage of our Equity Share capital. Our Promoters will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. After this Offer, our Promoters will continue to exercise significant control or exert significant influence over us which will allow them to vote together in capacity as shareholders of our Company on certain matters in general meetings of our Company. Accordingly, the interests of our Promoters and certain members of the Promoter Group in capacity as shareholders of our Company may conflict with your interests and the interests of other shareholders of our Company. For details of our Equity Shares held by our Promoters, see “*Capital Structure – Details of Shareholding of our Promoters and members of the Promoter Group in our Company*” on page 81.

**28. *Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.***

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see “*Capital Structure - Employee Stock Option Plan*” on page 85. Our Company may continue to issue Equity Shares, including under the existing ESOP Plan, at a price below the market price of Equity Shares at the time of issuance.

**29. *Changes in our software due to regulatory change may increase our R&D expenses and thus affect our cash flows.***

The software underlying our platforms is complex and may contain undetected errors or vulnerabilities, some of which may only be discovered at a subsequent stage or may not get discovered at all. Our practice is to release frequent software updates. Changes in our software due to regulatory change, may increase our R&D expenses thus affecting our cash flows and result of operations. Also, any errors, vulnerabilities or infringements discovered in our code or from third-party software after release could result in negative publicity, a loss of Customers or loss of revenue, legal proceedings, and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of data of the participants on our platform, or otherwise result in a security breach or other security incident. Any failure to timely and effectively resolve any such errors, defects, or vulnerabilities could adversely affect our

business, reputation, brand, financial condition, cash flows and results of operations. We have experienced and will likely continue to experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our platform. Our R&D expenses generally occur either as a result of software updates being deployed with unexpected errors or as a result of temporary infrastructure failures related to storage, network, or computing capacity being exhausted. Further, in some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time.

- 30. *There may be significant independent press coverage about our Company and this Offer, and we strongly caution you not to place reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information, and any statements that are inconsistent with the information contained in this Draft Red Herring Prospectus.***

There may be significant press coverage about our Company and this Offer, that may include financial projections, valuations and other forward-looking information, as well as statements that are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus. We do not accept any responsibility for the accuracy or completeness of such press articles, and we make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations, forward-looking information, or of any assumptions underlying such projections, valuations, forward-looking information or any statements are inconsistent or conflict with the information contained in this Draft Red Herring Prospectus, included in or referred to by the media.

- 31. *Our inability or failure to recognise, respond to and effectively manage the accelerated impact of social media could materially adversely affect our business.***

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of internet-based communications which allows individuals access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content for their subscribers and participants post, often without filters or checks on accuracy of the content posted. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information's accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brands, exposure of personally identifiable information, fraud, hoaxes or malicious exposure of false information. The inappropriate use of social media by our Users, Consumers or employees could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition. For instance, in the past, we have not experienced any negative coverage regarding our Company on social media platforms, we cannot assure you that such instances may not occur, which may have an adverse impact on our business.

- 32. *Certain sections of this Draft Red Herring Prospectus disclose information from industry reports paid and commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, "Industry Research Report on E-filing of Income Tax Returns in India" dated July 19, 2022 ("**Fitch Report**") or extracts of the Fitch Report and the report is not included in its entirety. We have commissioned and paid for the Fitch Report for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. The Fitch Report may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, investors should consult their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Fitch Report before making any investment decision regarding the Offer. For further details, see "Industry Overview" on page 102.

**33. *The continuing effect of the COVID-19 pandemic on our business growth and operations is highly uncertain and cannot be predicted.***

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affects the markets and communities in which we and Customers operate in. In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets.

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally and the virus has mutated several times. The COVID-19 pandemic has had, and any future pandemic or widespread public health emergency could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries and regions, including India, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets. In response to the COVID-19 pandemic, the governments of many countries, including India, have taken and may continue to take preventive or protective actions, such as imposing country-wide lockdowns, prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restrictions on travel and business operations, among many others. For instance, the GoI imposed a nationwide lockdown on March 24, 2020, during which temporary closures of businesses were ordered. The GoI thereafter gradually lifted the lockdown in phases. The resurgence of COVID-19 in India in April 2021 led to further restrictions being placed on businesses in various regions of India including “stay-at-home” orders and temporary closures. While lockdowns are being progressively relaxed, the scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

During the period of the initial lockdown in India, only companies providing essential services were allowed to continue operations which led to our business operations being temporarily disrupted at our offices in consonance with directives from the relevant GoI/ state governments/ governmental authorities. Immediately upon resumption of our Company’s operations, we put in place significant upgrades to our back office systems to support the work-from-home arrangements and certain measures such as social distancing and hygiene requirements, in compliance with government restrictions implemented to combat the spread of COVID-19.

Although the COVID-19 pandemic has not led to material disruptions to our operations, there is no assurance that we will not, in the future, be required to suspend our services at our offices as a result of the pandemic. While we have put in place precautionary measures, we cannot assure you that such measures or any other actions we have taken to mitigate the effects of the pandemic on our business operations will be adequate. In case there are further lockdowns and job cuts due to covid, there shall be decrease in the filing of ITR as well as GST returns which may affect the number of Users. Any continued spread of COVID-19 and efforts to contain the virus could reduce the availability and productivity of our employees as well.

The impact of the COVID-19 pandemic on our business is dependent upon numerous factors which we are not able to accurately predict or comprehend, including the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, and the nature and severity of measures adopted by governments. These factors include, but are not limited to:

- our ability to ensure the safety of our employees and continuity of our operations while conforming with measures implemented by the GoI / state governments/ governmental authorities in relation to health and safety of our employees, which may result in increased costs; and
- restrictions in operations or temporary shutdown of our Registered Office due to government restrictions in connection with COVID-19.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

**34. *Increase in cost of compliance due to listing that may affect our cashflows***

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, compliance, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies. Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

## EXTERNAL RISK FACTORS

### Risks relating to the Offer and investments in our Equity Shares

35. *Our Equity Shares have never been publicly traded, and after the Offer, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop. Furthermore, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. Investors bear the risk of fluctuation in the price of Equity Shares and there can be no assurance that a liquid market for our Equity Shares will develop following the listing of our Equity Shares on the Stock Exchanges.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Offer Price will be based on numerous factors, as described in the section "*Basis for Offer Price*" beginning on page 94. The market price and liquidity for the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- volatility in the Indian and other global securities markets;
- our financial condition, results of operation and cash flows;
- the history and prospectus of our business;
- an assessment of our management, our past operations and the prospectus for as well as timing of our future revenues and cost structures;
- results of operations that vary from those of our competitors;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel;
- changes in interest rates;



- fluctuations in stock market prices and volume;
- general economic conditions.
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Draft Red Herring Prospectus;
- strategic actions by us or our competitors or business partners;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- future sales of our Equity Shares by our Company or our shareholders;
- variations in our quarterly results of operations or cash flows;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- changes in the estimates of our performance or recommendations by financial analysts or failure of security analysts to cover the Equity Shares after the Offer;
- the public's reaction to our press releases and adverse media reports;
- significant developments in India's economic liberalization and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows. The Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

**36. *Any future issuance of our Equity Shares may dilute prospective investors' shareholding, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares.***

Upon completion of the Offer, our Promoters and Promoter Group will beneficially own [●] Equity Shares, which will represent approximately [●]% of our outstanding Equity Share capital. Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

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

Indian legal principles related to 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 shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**38. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/ Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

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

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, in a timely manner or at all. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted.

Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT, the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval

of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 334.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government’s approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. 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.

Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

- 41. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, which are beyond our control. As a result of these factors, there can be no assurance that the investors will be able to resell their Equity Shares at or above the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company’s performance.

- 42. *The average cost of acquisition of the Equity Shares for our Promoters may be lesser than the lower end of the Price Band.***

The Price Band for the Equity Shares is ₹[●] to ₹[●] per Equity Share. For more information on the determination of the Price Band, please see “*Basis for Offer Price*” beginning on page 94. For details pertaining to average cost of acquisition of the Equity Shares by our Promoters, see “*Summary of Offer Document - Average Cost of Acquisition of Equity Shares by our Promoters*” on page 29. If the average cost of acquisition of the Equity Shares for the Promoters is lesser than the lower end of the Price Band, investors who purchase the Equity Shares in the Offer would do so at a cost that is higher than the average cost of acquisition of the Equity Shares for our Promoters even if the Equity Shares are acquired at the lower end of the Price Band.

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

The determination of the Price Band is based on various factors and assumptions and was determined by our Company in consultation with the BRLM. Further, the Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLM through the Book Building Process. This price is based on certain factors, as described under “*Basis for Offer Price*” beginning on page 94 of this Draft Red Herring Prospectus and may not be indicative of the market price of the Equity Shares, after the Offer.

In addition to the above, the current market price of securities listed pursuant to previous initial public offerings handled by the BRLM may be below their respective issue price. For further details regarding the track record of the public issues handled by the BRLM, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see section “*Other Regulatory and Statutory Disclosures*” beginning on page 295. The factors that could affect the market price of Equity shares include,

among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

- 44. *There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and if they are listed you may not be able to immediately sell the Equity Shares you purchased in the Offer.***

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 Offer and until Allotment of Equity Shares pursuant to this Offer. There can be no guarantee that these actions will be completed in a timely manner or at all and as a result our Equity Shares may not be listed on the Stock Exchanges in a timely manner or at all.

In accordance with the current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under SEBI circulars and SEBI Regulations, subject to any change in the prescribed timeline in this regard. You can begin trading in the Equity Shares only after they have been credited to your demat account and after final listing and trading permissions have been received from the Stock Exchanges, which will be within six working days of closing of the public issue or a different period as may be required under SEBI ICDR Regulations. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner, in accordance with timelines prescribed under the applicable regulations, or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to trade in your Equity Shares.

- 45. *Future issuances or sales of Equity Shares could significantly affect the trading price thereof.***

Our future issuances of Equity Shares (including under the ESOP Plan) or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

- 46. *Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by the Shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

#### **Risks relating to India**

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

The Indian market and economy are influenced by market and economic conditions in other countries, including conditions in the U.S.A, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global impact and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on the Indian market. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and a strained relationship with India could have an adverse impact on trade relations between the two countries. Sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the U.S.A and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares.

**48. *Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and was affirmed to be BBB- with a "negative" outlook by Fitch in November 2021; and decreased from BBB to BBB "low" by DBRS in May 2021. India's sovereign rating from S&P is BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

**49. *A decline in India's foreign exchange reserves may adversely affect liquidity and interest rates of the Indian economy, adversely impacting our operations. A rapid decrease in reserves could also create a risk of higher interest rates and a consequent slowdown in growth.***

According to the RBI, India's foreign exchange reserves amounted to US\$607.31 billion as at March 31, 2022. Flows to foreign exchange reserves can be volatile, and past declines have adversely affected valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition, cash flows and results of operations.

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The widening current account deficit has been attributed largely to the surge in gold and oil imports.

The Indian Rupee also faces challenges due to the volatile swings in capital flows. Further, there remains a possibility of intervention in the foreign exchange market to control volatility of the exchange rate. The need to intervene may result in a decline in India's foreign exchange reserves and subsequently reduce the amount of liquidity in the domestic financial system. This in turn could cause domestic interest rates to rise. Further, increased volatility in foreign flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against any abnormal currency depreciation. Excessive volatility in foreign exchange rates or increase in interest rates could increase our costs and adversely impact our business, cash flows, financial condition and results of operations.

**50. *Natural calamities, fires, epidemics, pandemics, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market where our Equity Shares trade and lead to a loss of confidence.***

Natural disasters (such as cyclones, flooding, storms, tsunamis, tornadoes, fires, explosions and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries from whom we import our spares and consumables could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. A worsening of the current outbreak of COVID19 pandemic or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares are proposed to be listed and traded. In addition, any deterioration in relations between India and its neighbours might result in investor concern about stability in the region, which could materially adversely affect the price of our Equity Shares.

Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas which may lead to delay in projects in the gas sector, increase logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Any such event has the potential to have a materially adverse impact on our operations and future business. Although the long-term economic effects of the war between Russia and Ukraine are uncertain, the economic health of countries with close trading ties to Russia, like India, may be impacted by political and economic sanctions levied against Russia by governments and financial institutions around the world and voluntary trading embargos adopted by various companies.

Civil unrest in India in the future as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on our business and the trading price of our Equity Shares.

**51. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated under the laws of India and most of our Directors and key managerial personnel reside in India. Further, certain of our assets, and the assets of our key managerial personnel and

Directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and Directors or to enforce judgments obtained in courts outside India against us or our key managerial personnel and Directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (“**Civil Code**”). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India.

Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Further, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

**52. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and manufacturing activities in India. Our Equity Shares are proposed to be listed and traded on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by the following external risks, should any of them materialize:

- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- downgrading of India's sovereign debt rating by rating agencies;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The GoI has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained

significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects.

India has in the past experienced community disturbances, strikes, riots, terror attacks, pandemics, epidemics and natural disasters. India has also experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. There can be no assurance that we will not be affected by natural or man-made disasters in India or elsewhere in the future. These acts and occurrences could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

**53. *Changes in the taxation system in India could adversely affect our business.***

Our business, financial condition and results of operations could be adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

For instance, the GoI has implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules (“GAAR”). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The GST regime is relatively new and therefore is subject to amendments and its interpretation by the relevant regulatory authorities. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the GoI recently proposed additional tax measures in Finance Bill, 2022 and Union Budget for Fiscal 2023 which, among others, requires the taxpayers to explain sources of cash credits, introduces a separate 30% tax on income from virtual digital assets, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends.

Our companies operating in India may choose not to claim any of the specified deductions or exemptions and claim the lower corporate tax, in which case, the minimum alternate tax provisions would not be applicable. Alternatively, we may choose to pay the higher rate of corporate tax; i.e., 30% or 25%, as the case may be, plus applicable surcharge and cess, after claiming the applicable deductions and exemptions or the minimum alternate tax at the rate of 15% plus applicable surcharge and cess. As such, there is no certainty on the impact that these amendments may have on our business and operations or on the industry in which we operate.

Further, the Finance Act, 2020, has, amongst other things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (“DDT”), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.



With several proposals to introduce further regulatory compliances, additional conditions to be met to receive benefits under existing regimes being introduced, upon any such proposals being notified, we may also become subject to inter alia additional compliances and increased associated costs. For instance, under the Finance Act, 2021, with effect from July 1, 2021, higher TDS rates are applicable in the event of failure of certain compliances, including of linking Aadhar with permanent account numbers, or other conditions being proposed including to display QR codes on invoices for B2C transactions which could pose operational and implementation challenges given the large number of orders in invoices.

**54. *A third-party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company.

Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

**55. *Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and may consider material to their assessment of our financial condition.***

The restated financial statements for Fiscal 2022, Fiscal 2021 and Fiscal 2020 are prepared in accordance with Ind AS and the SEBI ICDR Regulations. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page . No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

**56. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, the Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, as amended, set out the mechanism for implementation of the

merger control regime in India. The CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by it at this stage.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any award passed by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations.

## SECTION III: INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer of Equity Shares<sup>(1)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹10,50,000 thousand
<b>The Offer comprises of:</b>	
<b>A) QIB Portion<sup>(2)(3)(4)</sup></b>	Not less than [●] Equity Shares, aggregating up to ₹[●] thousand
<b>of which:</b>	
(i) Anchor Investor Portion <sup>(2)</sup>	Up to [●] Equity Shares
(ii) Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<b>of which:</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
<b>B) Non-Institutional Portion<sup>(3)(5)(6)</sup></b>	Not more than [●] Equity Shares, aggregating up to ₹[●] thousand
<b>of which:</b>	
One-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000	[●] Equity Shares
Two-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹10,00,000	[●] Equity Shares
<b>C) Retail Portion<sup>(3)(5)</sup></b>	Not more than [●] Equity Shares, aggregating up to ₹[●] thousand
<b>Pre and post-Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)</b>	99,94,228 Equity Shares
<b>Equity Shares outstanding after the Offer</b>	[●] Equity Shares
<b>Use of Net Proceeds</b>	See “ <i>Objects of the Offer</i> ” beginning on page 88 for information about the use of Offer Proceeds.

- (1) *The Offer has been authorized by a resolution of our Board dated May 23, 2022 and by a special resolution of our Shareholders dated May 24, 2022.*
- (2) *Our Company may, in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced from the 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. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Funds portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Offer Procedure” beginning on page 316.*
- (3) *Subject to valid Bids being received at or above the Offer Price, in the event of aggregate demand in the QIB category has been met, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable law.*
- (4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in “Terms of the Offer” beginning on page 306. In case 75% of the Offer is not subscribed by the QIBs, the entire Offer would be refunded.*

- (5) Allocation to Bidders in all categories, except Anchor Investors, if any, and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details see “Offer Procedure” beginning on page 316.
- (6) Not more than 15% of the Offer shall be available for allocation to Non Institutional Investors of which one-third of the NII portion shall be available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-thirds of the NII portion shall be available for allocation to Bidders with an application size of more than ₹10,00,000 provided that under-subscription in either of these two sub-categories of NII portion may be allocated to Bidders in the other sub-category of NII portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Allocation to Bidders in all categories, except the RII portion, NII portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the RII portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation of Equity Shares to each NII shall not be less than the minimum application size, subject to the availability of Equity Shares in the NII portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations.

For details, including in relation to grounds for rejection of Bids, see “Offer Structure” and “Offer Procedure” beginning on pages 312 and 316, respectively. For details of the terms of the Offer, see “Terms of the Offer” beginning on page 306.

## **SUMMARY FINANCIAL INFORMATION**

*The following tables set forth the summary financial information derived from our Restated Financial Statements. The Restated Financial Statements have been prepared in accordance with Ind AS for the Fiscals 2022, 2021 and 2020 and restated in accordance with the SEBI ICDR Regulations and are presented in the section “Financial Statements” beginning on page 202. The summary financial information presented below should be read in conjunction with “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 202 and 261, respectively.*

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**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**
*(₹ in thousand, unless otherwise stated)*

PARTICULARS		As at March 31,2022	As at March 31, 2021	As at March 31,2020
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a	Property, Plant & Equipment	123.23	-	35.85
b	Intangible Assets	40,297.65	40,974.23	24.14
c	Intangible Assets Under Development	35,885.01	22,979.21	53,744.22
d	ROU Asset	348.29	580.48	-
e	Financial Assets			
	i) Other Financial Assets	-	-	-
	<b>Total of non-current Assets</b>	<b>76,654.17</b>	<b>64,533.92</b>	<b>53,804.21</b>
<b>Current Assets</b>				
a	Inventories			
b	Financial Assets	-	-	-
	i) Investments	-	5,001.00	-
	ii) Trade Receivables	1,744.28	578.55	15.88
	iii) Cash and Cash Equivalents	922.21	15,489.37	1,261.42
	iv) Bank Balances other than (III) above			
	v) Loans & Advances	-	-	500.00
	vi) Other Financial Assets			
c	Current Tax Assets	-	-	-
c	Other Current Assets	14,305.19	4,666.52	4,335.54
	<b>Total of current Assets</b>	<b>16,971.68</b>	<b>25,735.44</b>	<b>6,112.83</b>
	<b>TOTAL</b>	<b>93,625.85</b>	<b>90,269.36</b>	<b>59,917.04</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a	Equity Share Capital	94,285.17	76,734.81	62,435.00
b	Other Equity	(34,919.74)	(3,934.28)	(6,838.50)
c	Non-controlling interest	0.01	0.01	0.01
		59,365.44	72,800.54	55,596.51
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a	Financial Liabilities			
	i) Borrowings	-	344.99	119.99
	ia) Lease Liability	112.81	356.71	-
	ii) Other Financial Liabilities	-	-	-
b	Deferred Tax Liabilities (Net)	2,105.99	457.18	(208.16)
c	Provisions - Non-Current	2,304.77	1,221.01	645.62
	<b>Total of Non-current liabilities</b>	<b>4,523.57</b>	<b>2,379.88</b>	<b>557.44</b>
<b>Current Liabilities</b>				
a	Financial Liabilities :			
	i) Short-Term Borrowings	20,994.70	11,080.00	-
	ia) Lease Liability	243.90	187.45	-
	iii) Trade Payables			
	a) Total outstanding dues of creditors of Micro and Small Enterprises	-	-	-
	b) Total outstanding dues of other than Micro and Small Enterprises	2,076.73	1,819.59	1,796.25
	iv) Other Financial Liabilities	6,359.37	2,000.44	1,966.83
b	Provisions	62.14	1.47	-
	<b>Total of current liabilities</b>	<b>29,736.83</b>	<b>15,088.94</b>	<b>3,763.09</b>

<b>PARTICULARS</b>	<b>As at March 31,2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31,2020</b>
<b>TOTAL</b>	<b>93,625.84</b>	<b>90,269.36</b>	<b>59,917.04</b>

**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**
*(₹ in thousand, unless otherwise stated)*

<b>PARTICULARS</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Income:</b>			
Revenue From Operations	19,659.03	4,551.95	709.43
Other Income	69.77	4.95	13.48
<b>Total Income</b>	<b>19,728.81</b>	<b>4,556.90</b>	<b>722.92</b>
<b>Expenses:</b>			
Operating Cost	3,508.15	3,864.81	-
Employee Benefits Expense	34,281.56	11,003.64	437.48
Finance Costs	41.37	27.83	-
Depreciation and Amortization Expense	4,648.57	2,280.80	24.31
Other Expenses	64,141.55	14,228.61	4,764.84
<b>Total Expenses</b>	<b>106,621.18</b>	<b>31,405.69</b>	<b>5,226.62</b>
<b>Profit/(Loss) Before Tax</b>	<b>(86,892.38)</b>	<b>(26,848.79)</b>	<b>(4,503.71)</b>
<b>Tax expense</b>			
Current Tax	-	-	-
Earlier Year Tax Adjustments	-	-	-
Deferred Tax	(1,742.53)	(680.04)	44.05
<b>Total Tax expense</b>	<b>(1,742.53)</b>	<b>(680.04)</b>	<b>44.05</b>
<b>Loss for the year, as restated</b>	<b>(88,634.91)</b>	<b>(27,528.83)</b>	<b>(4,459.65)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be subsequently reclassified to Profit or Loss:</b>			
Gain/(loss) on remeasurements of the defined benefits plan	(360.46)	(56.52)	(264.75)
Income tax (expenses)/income on remeasurements of the defined benefits plan	93.72	14.69	68.84
<b>Total Comprehensive Income (net of tax)</b>	<b>(266.74)</b>	<b>(41.82)</b>	<b>(195.92)</b>
<b>Total Comprehensive Income for the year</b>	<b>(88,901.65)</b>	<b>(27,570.65)</b>	<b>(4,655.57)</b>
<b>Earnings Per Equity Share:</b>			
Basic Earnings per Equity Share	(10.73)	(3.97)	(1.14)
Diluted Earnings per Equity Share	(10.73)	(3.97)	(1.14)
Face value per Equity Share	10.00	10.00	10.00



**RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS**
*(₹ in thousand, unless otherwise stated)*

<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax &amp; extraordinary items</b>	(88,901.65)	(27,570.65)	(4,655.57)
<b>Adjustment for</b>			
Depreciation & Amortization	4,648.57	2,280.80	24.31
Deferred Tax	1,648.81	665.34	(113.00)
Loss on remeasurements of the defined benefits plan	1,144.42	576.86	387.35
<b>Operating Loss before Working capital changes</b>	<b>(81,459.85)</b>	<b>(24,047.65)</b>	<b>(4,356.91)</b>
<b>Adjustment for</b>			
Trade Receivables	(1,165.73)	(562.67)	45.76
Trade Payables	257.15	23.33	803.62
Other Current Assets	(9,638.68)	(330.98)	(2,533.84)
Changes in lease liability	(187.45)	544.16	
Current Liabilities	4,358.94	33.60	1,949.00
<b>Cash used in operations</b>	<b>(87,835.62)</b>	<b>(24,340.22)</b>	<b>(4,092.41)</b>
Direct Tax Paid	-	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(87,835.62)</b>	<b>(24,340.22)</b>	<b>(4,092.41)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Disposal/(Purchase) of Property Plant & Equipment	(123.23)	35.85	
Purchase of Intangible Assets	(16,645.60)	(13,046.36)	(33,112.22)
Purchase of Investments	-	(5,001.00)	-
Redemption of Investments	5,001.00	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(11,767.82)</b>	<b>(18,011.51)</b>	<b>(33,112.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital	75,466.56	44,774.68	37,625.00
Finance Cost	-	-	-
Proceeds from Non-Current Borrowings	-	225.00	65.00
Reception account of repayment of Loan		500.00	
Repayment of Non-Current Borrowings	(344.99)	-	-
Increase in Short Term Borrowing (net)	9,914.70	11,080.00	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>85,036.26</b>	<b>56,579.68</b>	<b>37,690.00</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(14,567.18)</b>	<b>14,227.96</b>	<b>485.37</b>
<b>Cash &amp; cash equivalents as at 1<sup>st</sup> April (Opening)</b>	<b>15,489.37</b>	<b>1,261.42</b>	<b>776.05</b>
<b>Cash &amp; cash equivalents as at 31<sup>st</sup> March (Closing)</b>	<b>922.21</b>	<b>15,489.38</b>	<b>1,261.42</b>

## GENERAL INFORMATION

Our Company was incorporated as ‘SSBA Innovations Private Limited’ in Mumbai on August 14, 2017 as a private limited company under the Companies Act pursuant to a certificate of incorporation issued by the RoC. Subsequently, our Company was converted into a public company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on May 9, 2022 and consequently, the name of our Company was changed to its present name, ‘SSBA Innovations Limited’, and a fresh certificate of incorporation dated May 23, 2022 was issued by the RoC to our Company.

For details in connection with changes in registered office of our Company, see “History and Certain Corporate Matters – Changes in the Registered Office” on page 176.

### Registered Office of our Company

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

#### SSBA INNOVATIONS LIMITED

1309, Lodha Supremus Powai,  
Saki Vihar Road, Opp. MTNL Office,  
Mumbai – 400 072, Maharashtra, India.

**Telephone:** +91 22 4602 5465

**Website:** www.ssbainnovations.com

### Company registration number and corporate identity number

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

**Company registration number:** 298565

**Corporate identity number:** U74999MH2017PLC298565

### Address of the Registrar of Companies

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

#### Registrar of Companies, Mumbai

100, Everest, Marine Drive,  
Mumbai- 400 002, Maharashtra, India.

### Board of Directors

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

Name and designation on the Board	DIN	Address
Sujit Sudhakar Bangar <i>Chairman and Managing Director</i>	07871115	A-1201, Brichwood Main Street, Hiranandani Gardens Powai, Mumbai 4000 76, Maharashtra, India.
Atul Umakant Rege <i>Whole Time Director</i>	01235578	A-1301, Prathamesh Residency, Dada Bhai Road, near Andheri Recreation Club, Andheri (West), Mumbai – 4000 58, Maharashtra, India.
Aparna Sujit Bangar <i>Non-Executive Director</i>	05332039	Raj Grandeur, A2102, behind Hiranandani hospital, Hiranandani garden, L H Hiranandani garden, Powai, Mumbai 400 076, Maharashtra, India.
Pankaj Singhania <i>Independent Director</i>	08336529	Urbana NRI Complex, Tower 2, Flat-2902,783 Anandapur, near Ruby Hospital, Kolkata – 700 107 West Bengal, India.

Name and designation on the Board	DIN	Address
Siddharth Shah <i>Independent Director</i>	00382660	B-503, Prathamesh Residency, Dadabhai Road, Andheri West, Mumbai – 400 058 Maharashtra, India.
Rasesh Vrajeshkumar Thakore <i>Independent Director</i>	09602928	Flat no. 201, Arihant Building, Shantilal Modi Road, CTS 131/A, Near Shree Asian Bakery, Kandivali West, Mumbai 400 067 Maharashtra, India.

For further details of our Board of Directors, see “*Our Management Board of Directors*” on page 180.

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

Supriya Vijay Utekar is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

#### **Supriya Vijay Utekar**

1309, Lodha Supremus Powai,  
Saki Vihar Road, Opp. MTNL Office,  
Mumbai – 400 072, Maharashtra, India.

**Telephone:** +91 22 4602 5465.

**E-mail:** cs@ssbainnovations.com.

### **Investor Grievances**

Bidders can contact the Company Secretary and Compliance Officer, the BRLM and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM.

All Offer related grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders’ DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

In terms of SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the relevant Designated Intermediary, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

## Book Running Lead Manager

### Systematix Corporate Services Limited

The Capital, A Wing No. 603-606, 6th Floor, Plot No. C-70,  
G-Block BKC, Bandra East, Mumbai 400 051.

**Telephone:** +91 22 6704 8000

**E-mail:** mb.ipo@systematixgroup.in

**Investor Grievance E-mail:** investor@systematixgroup.in

**Website:** www.systematixgroup.in

**Contact Person:** Ankur Sharma/ Jinal Sanghvi

**SEBI Registration number:** INM000004224

## Syndicate Members

The Syndicate Members will be appointed prior to filing of the Red Herring Prospectus with the RoC.

## Statement of responsibilities

Systematix Corporate Services Limited is the sole BRLM to the Offer and shall be responsible for the following activities:

Sr. No.	Activities
1.	Capital structuring, positioning strategy and due diligence of our Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing.
2.	Drafting and approval of all statutory advertisements.
3.	Appointment of intermediaries viz., Registrar, printers, advertising agency, Syndicate, Sponsor Bank, Monitoring Agency, Bankers to the Offer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries.
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure and filing of media compliance report.
5.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"><li>• Institutional marketing strategy;</li><li>• Finalizing the list and division of international investors for one-to-one meetings; and</li><li>• Finalizing international road show and investor meeting schedule.</li></ul>
6.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"><li>• Preparation of road show marketing presentation and frequently asked questions;</li><li>• Institutional marketing strategy;</li><li>• Finalizing the list and division of domestic investors for one-to-one meetings; and</li><li>• Finalizing domestic road show and investor meeting schedule.</li></ul>
7.	Non-Institutional marketing of the Offer and retail marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"><li>• Formulating marketing strategies;</li><li>• Preparation of publicity budget, finalizing media and public relations strategy;</li><li>• Finalizing centres for holding conferences for brokers;</li><li>• Finalizing collection centres;</li><li>• Arranging for selection of underwriters and underwriting agreement; and</li><li>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.</li></ul>
8.	Managing the book and finalization of pricing in consultation with the Company.
9.	Coordination with Stock Exchanges for Book Building Process, filing of letters including software, bidding terminals, mock trading, payment of 1% security deposit to the Designated Stock Exchange and Anchor Investor intimation.

Sr. No.	Activities
10.	<p>Post- Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, ensuring steps for completion of the necessary formalities for listing and commencement of trading on the stock exchanges where the Equity Shares are to be listed shall be completed within six working days of the Offer closing date including dispatch of refund orders or unblocking of Application Supported by Blocked Amount, listing of instruments, demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.</p>

#### **Domestic Legal Counsel to the Offer as to Indian law**

##### **DSK Legal, Advocates & Solicitors**

1203 – BA, One World Centre,  
Tower 2, Floor 12 B,  
841, Senapati Bapat Marg, Elphinstone Road,  
Mumbai – 400 013, Maharashtra, India.  
**Telephone:** +91 22 6658 8000.

#### **Special International Legal Counsel to the BRLM**

##### **Duane Morris & Selvam LLP**

16 Collyer Quay, #17-00,  
Singapore - 049318.  
**Telephone:** +65 6311 0030

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

##### **MAS Services Limited**

T-34, 2<sup>nd</sup> floor,  
Okhla Industrial Area, Phase II,  
New Delhi 110 020.  
**Telephone:** +91 11 2638 7281/82/83  
**E-mail:** info@masserv.com  
**Investor grievance E-mail:** investor@masserv.com  
**Website:** www.masserv.com  
**Contact Person:** Sharwan Mangla  
**SEBI Registration number:** INR000000049

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

The Banker(s) to the Offer will be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### ***Escrow Collection Bank(s)***

The Escrow Collection Bank(s) will be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### ***Public Offer Account Bank***

The Public Offer Account Bank will be appointed prior to filing of the Red Herring Prospectus with the RoC.

#### ***Refund Bank(s)***

The Refund Bank(s) will be appointed prior to filing of the Red Herring Prospectus with the RoC.

### ***Sponsor Bank***

The Sponsor Bank will be appointed prior to filing of the Red Herring Prospectus with the RoC.

### **Designated Intermediaries**

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

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

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

In accordance with SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and Mobile App(s) specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> respectively), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

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

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

#### ***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx) and [https://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm) updated from time to time.

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

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

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

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at

www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and  
www.nseindia.com/products/content/equities/ipos/asba\_procedures.htm, respectively, as updated from time to time.

### Statutory Auditor to our Company

#### V. A. Parikh & Associates LLP

Office No. 6, Back Bay View Building, 3A M. P. Marg,  
Opera House, Mumbai – 400 004.

**E-mail:** nirav@vaparikh.in

**Telephone:** +91 22 4004 5048

**Firm registration number:** 112787W/W100073

**Peer review number:** 013779

### Changes in Auditors

Except as disclosed below, there has been no change in Auditors during the last three years preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reasons of change
<b>V. A. Parikh &amp; Associates LLP,  Chartered Accountants</b> Office No. 6, Back Bay View Building, 3A M. P. Marg, Opera House, Mumbai – 400 004, Maharashtra, India. <b>E-mail:</b> nirav@vaparikh.in <b>Firm registration number:</b> 112787W/W100073 <b>Peer review number:</b> 013779	May 9, 2022	Appointment as a new statutory auditor to fill in the casual vacancy caused due to resignation of the erstwhile auditor.
<b>Vinit Bohra &amp; Associate,  Chartered Accountant</b> 208, Indo Saigoan Ind. Estate, opp. Kotak Mahindra Bank, Andheri Kurla Road, Marol Naka, Andheri (East), Mumbai- 400 072. <b>E-mail:</b> vinit@cavinitbohara.com <b>Firm registration number:</b> 0141930W	April 30, 2022	Resignation due to pre-occupation with other professional matter.

### Bankers to our Company

#### Kotak Mahindra Bank

**Address:** G6 & G7 Citipark, Central Avenue,  
Hiranandani Business Park, Powai, Mumbai - 400 076

**Telephone:** +91 22 6708 7925

**E-mail:** shankar.naik@kotak.com

### IPO Grading

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

### Appraising Entity

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

### Monitoring Agency

Our Company will appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer – Objects of the Offer*” on page 88.

### **Credit Rating**

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

### **Debenture Trustees**

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

### **Green Shoe Option**

No green shoe option is contemplated under the Offer.

### **Experts**

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

Our Company has received written consent dated July 27, 2022 from M/s. V. A. Parikh & Associates LLP, Chartered Accountants to include their name as required under Section 26 of the Companies Act read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report dated July 27, 2022 on our Restated Financial Statements; and (ii) the statement of special tax benefits available to our Company, its shareholders dated July 27, 2022, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Filing of this Draft Red Herring Prospectus**

This Draft Red Herring Prospectus has been filed with SEBI at:

#### **Securities and Exchange Board of India**

Corporation Finance Department,  
Division of Issues and Listing,  
SEBI Bhavan, Plot No. C4 A, ‘G’ Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400 051,  
Maharashtra, India.

A copy of this Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD.”

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed in accordance with Section 32 of the Companies Act, and a copy of the Prospectus required to be filed in accordance with Section 26 of the Companies Act would be filed with the RoC at its office.

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and Minimum Bid Lot will be decided by our Company, in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●]



(a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Mumbai, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLM after the Bid/Offer Closing Date.

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors and Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” beginning on pages 306 and 316, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, our Company has appointed the BRLM to manage this Offer and procure Bids for this Offer.

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

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

#### **Illustration of Book Building Process and the Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see “*Offer Procedure*” on page 316.

#### **Underwriting Agreement**

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

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

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

<i>(₹ in thousand)</i>		
Name, address, telephone and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

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

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

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

The Underwriting Agreement has not been entered into as on the date of this Draft Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

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

*(In ₹ except share data)*

		Aggregate at nominal value	Aggregate value at Offer Price*
<b>A</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	1,40,00,000 Equity Shares of face value of ₹10 each	14,00,00,000	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	99,94,228 Equity Shares of face value of ₹10 each	9,99,42,280	-
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
	Offer of up to [●] Equity Shares through Fresh Issue aggregating up to ₹10,50,000 thousand <sup>(1)</sup>	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*</b>		
	[●] Equity Shares of face value of ₹10 each	[●]	-
<b>E</b>	<b>SECURITIES PREMIUM RESERVE</b>		
	Before the Offer		24,79,21,572
	After the Offer		[●]

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

(1) The Offer has been authorized by a resolution of our Board dated May 23, 2022 and by a special resolution of our Shareholders dated May 24, 2022.

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

For details of the changes to the authorised share capital of our Company since incorporation, see “History and Certain Corporate Matters Amendments to our Memorandum of Association” on page 176.

### Notes to the Capital Structure

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

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

Date of Allotment	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of Equity Shares
August 14, 2017	10,000	10	10	Allotment as initial subscribers to the MOA <sup>(1)</sup>	Cash	10,000
December 1, 2017	4,26,500	10	10	Rights Issue <sup>(2)</sup>	Cash	4,36,500
December 22, 2017	27,000	10	10	Rights Issue <sup>(3)</sup>	Cash	4,63,500
January 16, 2018	1,00,000	10	10	Rights Issue <sup>(4)</sup>	Cash	5,63,500
January 25, 2018	20,000	10	10	Rights Issue <sup>(5)</sup>	Cash	5,83,500
March 7, 2018	2,20,000	10	10	Rights Issue <sup>(6)</sup>	Cash	8,03,500
March 22, 2018	2,52,500	10	10	Rights Issue <sup>(7)</sup>	Cash	10,56,000
August 24, 2018	1,00,000	10	10	Rights Issue <sup>(8)</sup>	Cash	11,56,000
October 19, 2018	1,50,000	10	10	Rights Issue <sup>(9)</sup>	Cash	13,06,000

Date of Allotment	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Reason/Nature of Allotment	Form of consideration	Cumulative number of Equity Shares
December 10, 2018	10,000	10	10	Rights Issue <sup>(10)</sup>	Cash	13,16,000
December 22, 2018	5,000	10	10	Rights Issue <sup>(11)</sup>	Cash	13,21,000
December 25, 2018	3,00,000	10	10	Rights Issue <sup>(12)</sup>	Cash	16,21,000
January 23, 2019	2,05,000	10	10	Rights Issue <sup>(13)</sup>	Cash	18,26,000
January 31, 2019	1,30,000	10	10	Rights Issue <sup>(14)</sup>	Cash	19,56,000
March 8, 2019	2,60,000	10	10	Rights Issue <sup>(15)</sup>	Cash	22,16,000
March 20, 2019	90,000	10	10	Rights issue <sup>(16)</sup>	Cash	23,06,000
March 25, 2019	1,45,000	10	10	Rights Issue <sup>(17)</sup>	Cash	24,51,000
March 30, 2019	30,000	10	10	Rights Issue <sup>(18)</sup>	Cash	24,81,000
April 3, 2019	45,000	10	10	Rights Issue <sup>(19)</sup>	Cash	25,26,000
April 26, 2019	1,10,000	10	10	Rights Issue <sup>(20)</sup>	Cash	26,36,000
June 29, 2019	3,35,000	10	10	Rights Issue <sup>(21)</sup>	Cash	29,71,000
August 28, 2019	4,22,500	10	10	Rights Issue <sup>(22)</sup>	Cash	33,93,500
September 25, 2019	7,80,000	10	10	Rights Issue <sup>(23)</sup>	Cash	41,73,500
November 27, 2019	5,30,000	10	10	Rights Issue <sup>(24)</sup>	Cash	47,03,500
December 9, 2019	2,80,000	10	10	Rights Issue <sup>(25)</sup>	Cash	49,83,500
January 23, 2020	25,000	10	10	Rights Issue <sup>(26)</sup>	Cash	50,08,500
January 29, 2020	1,05,000	10	10	Rights Issue <sup>(27)</sup>	Cash	51,13,500
February 17, 2020	7,10,000	10	10	Rights Issue <sup>(28)</sup>	Cash	58,23,500
February 27, 2020	50,000	10	10	Rights Issue <sup>(29)</sup>	Cash	58,73,500
March 2, 2020	1,00,000	10	10	Rights Issue <sup>(30)</sup>	Cash	59,73,500
March 19, 2020	2,70,000	10	10	Rights Issue <sup>(31)</sup>	Cash	62,43,500
May 18, 2020	3,25,000	10	10	Rights Issue <sup>(32)</sup>	Cash	65,68,500
June 26, 2020	1,81,500	10	10	Rights Issue <sup>(33)</sup>	Cash	67,50,000
October 27, 2020	2,32,558	10	43	Preferential Issue <sup>(34)</sup>	Cash	69,82,558
November 5, 2020	866	10	43	Preferential Issue <sup>(35)</sup>	Cash	69,83,424
November 26, 2020	2,30,267	10	43	Rights Issue <sup>(36)</sup>	Cash	72,13,691
December 30, 2020	2,31,657	10	43	Rights Issue <sup>(37)</sup>	Cash	74,45,348
January 29, 2021	2,28,133	10	43	Rights Issue <sup>(38)</sup>	Cash	76,73,481
April 9, 2021	2,38,272	10	43	Rights Issue <sup>(39)</sup>	Cash	79,11,753
October 11, 2021	75,581	10	43	Rights Issue <sup>(40)</sup>	Cash	79,87,334
October 18, 2021	73,256	10	43	Rights Issue <sup>(41)</sup>	Cash	80,60,590
November 3, 2021	35,000	10	43	Rights Issue <sup>(42)</sup>	Cash	80,95,590
November 18, 2021	1,03,606	10	43	Rights Issue <sup>(43)</sup>	Cash	81,99,196
December 10, 2021	2,94,990	10	43	Rights Issue <sup>(44)</sup>	Cash	84,94,186
February 4, 2022	9,34,331	10	43	Rights Issue <sup>(45)</sup>	Cash	94,28,517
May 23, 2022	5,65,711	10	292	Rights Issue <sup>(46)</sup>	Cash	99,94,228

\*There were some attachments that were missing in the RoC form, certain typographical errors in the attachments to the RoC forms, wrongly reflected entry of the paid up capital of our Company in multiple Form PAS-3 after such allotments were not updated to reflect the resultant paid up capital of our Company etc that was filed for allotment of equity shares, which was rectified by our Company by filing the relevant

*RoC Form. For further details, see "Risk Factor – Certain of our corporate filings and records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard " on page 31.*

- (1) Subscription to 5,000 Equity Shares each by Sujit Bangar and Atul Rege.*
- (2) 2,26,500 Equity Shares allotted to Aparna Bangar and 2,00,000 Equity Shares to Atul Rege.*
- (3) 27,000 Equity Shares allotted to Aparna Bangar.*
- (4) 1,00,000 Equity Shares allotted to Suchitra Santosh Mankoskar.*
- (5) 5,000 Equity Shares each allotted to Nitin Patil and Sanjay Godbole and 10,000 Equity Shares allotted to Nana Mhaske.*
- (6) 20,000 Equity Shares allotted to Aparna Bangar and 2,00,000 Equity Share allotted to Suchitra Santosh Mankoskar.*
- (7) 10,000 Equity Shares allotted to Samir Jayaswal and 2,42,500 Equity Shares allotted to Sujit Bangar.*
- (8) 10,000 Equity Shares allotted to Dipayan Bhattacharjee and 90,000 Equity Shares allotted to Sujit Bangar.*
- (9) 50,000 Equity Shares allotted to Samir Jayaswal and 1,00,000 Equity Shares allotted to Aparna Bangar.*
- (10) 10,000 Equity Shares allotted to Syed Zafar Islam.*
- (11) 5,000 Equity Shares allotted to Anoop Biyani.*
- (12) 45,000 Equity Shares allotted to Samir Jayaswal, 1,00,000 Equity Shares allotted to Aparna Bangar and 1,55,000 Equity Shares allotted to Sujit Bangar.*
- (13) 5,000 Equity Shares allotted to Atul Rege, 85,000 Equity Shares allotted to Sujit Bangar and 1,15,000 Equity Shares allotted to Aparna Bangar.*
- (14) 50,000 Equity Shares allotted to Sanjay Godbole and 80,000 Equity Shares allotted to Aparna Bangar.*
- (15) 10,000 Equity Shares allotted to Anant Kulkarni, 50,000 Equity Shares each allotted to Sujit Bangar and Sanjay Godbole and 1,50,000 Equity Shares allotted to Aparna Bangar.*
- (16) 90,000 Equity Shares allotted to Aparna Bangar.*
- (17) 1,45,000 Equity Shares allotted to Sujit Bangar.*
- (18) 30,000 Equity Shares allotted to Sujit Bangar.*
- (19) 45,000 Equity Shares allotted to Sanjay Godbole*
- (20) 50,000 Equity Shares allotted to Swati Mukundrai Chate and 60,000 Equity Shares allotted to Sujit Bangar.*
- (21) 3,35,000 Equity Shares allotted to Sujit Bangar.*
- (22) 4,22,500 Equity Shares allotted to Sujit Bangar.*
- (23) 7,80,000 Equity Shares allotted to Sujit Bangar.*
- (24) 50,000 Equity Shares allotted to Sanjay Godbole and 4,80,000 Equity Shares allotted to Sujit Bangar.*
- (25) 50,000 Equity Shares allotted to Srinivas Reddy and 2,30,000 Equity Shares allotted to Sujit Bangar.*
- (26) 25,000 Equity Shares allotted to Sujit Bangar.*
- (27) 1,05,000 Equity Shares allotted to Sujit Bangar.*
- (28) 1,00,000 Equity Shares allotted to Anita Baburao Waghmare and 6,10,000 Equity Shares allotted to SA Trading.*
- (29) 50,000 Equity Shares allotted to Anita Baburao Waghmare.*
- (30) 1,00,000 Equity Shares allotted to SA Trading.*
- (31) 2,70,000 Equity Shares allotted to SA Trading.*
- (32) 3,25,000 Equity Shares allotted to SA Trading.*
- (33) 1,81,500 Equity Shares allotted to SA Trading.*
- (34) 2,32,558 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (35) 866 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (36) 2,30,267 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (37) 2,31,657 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (38) 2,28,133 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (39) 2,38,272 Equity Shares allotted to Zenith Multi Trading DMCC.*
- (40) 50,000 Equity Shares allotted to Atul Rege and 25,581 Equity Shares allotted to Rajendra Kumar Kanaujia.*
- (41) 23,256 Equity Shares allotted to Srinivas Reddy and 50,000 Equity Shares allotted to Atul Rege.*
- (42) 35,000 Equity Shares allotted to Systematix Fincorp India Limited.*
- (43) 22,094 Equity Shares allotted to Anita Baburao Waghmare, 35,000 Equity Shares allotted to Atul Rege and 46,512 Equity Shares allotted to Sujit Bangar.*
- (44) 12,790 Equity Shares allotted to Anita Baburao Waghmare, 1,17,200 Equity Shares allotted to Aparna Bangar and 1,65,000 Equity Shares allotted to Atul Rege.*
- (45) 35,000 Equity Shares allotted to Anita Baburao Waghmare, 86,136 Equity Shares allotted to Netresh Rege, 1,00,000 Equity Shares allotted to Atul Rege, 1,27,793 Equity Shares allotted to Zenith Multi Trading DMCC, 1,79,589 Equity Shares allotted to Aparna Bangar and 4,05,813 Equity Shares allotted to Sujit Bangar.*
- (46) 684 Equity Shares allotted to Anant Kulkarni, 1,520 Equity Shares allotted to Mahesh Pratape, 1,712 Equity Shares allotted to Seema Maharudra Manchand, 1,746 Equity Shares allotted to Nana Mhaske, 3,000 Equity Shares allotted to Shrenik Doshi, 3,424 Equity Shares each allotted to Virat Sharma, Vrushali Vengurlekar and Suvarna Phad, 4,395 Equity Shares allotted to Srinivas Reddy, 5,000 Equity Shares allotted to Anuradha Jiwade, 5,136 Equity Shares allotted to Amol Morale, 6,297 Equity Shares allotted to Samir Jayaswal, 6,848 Equity Shares allotted to Dipayan Bhattacharjee, 8,000 Equity Shares allotted to Asha Angad Munde, 8,500 Equity Shares allotted to Ajit Lahane, 8,561 Equity Shares allotted to Mansun Consultancy Private Limited, 8,954 Equity Shares allotted to Sujit Bangar, 9,246 Equity Shares allotted to Jyoti Morale, 10,000 Equity Shares allotted to Mangal Waghmode, 16,750 Equity Shares allotted to Mangal Keshav Capital Limited, 17,123 Equity Shares allotted to Rahul Chavan, 17,124 Equity Shares allotted to Krishnaswamy Mohan, 20,993 Equity Shares allotted to SA Trading, 34,246 Equity Shares allotted to Systematix Fincorp India Limited, 36,729 Equity Shares allotted to Atul Rege, 79,226 Equity Shares allotted to Zenith Multi Trading DMCC, 1,06,663 Equity Shares allotted to Aparna Bangar and 1,36,986 Equity Shares allotted to Anita Baburao Waghmare.*

2. Our Company does not have any preference share capital as of the date of this Draft Red Herring Prospectus.
3. Our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves at any time since incorporation.

4. Our Company has not issued or allotted any Equity Shares pursuant to any schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, as applicable.
5. Our Company shall ensure that all transactions in the Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
6. Our Company has not issued any Equity Shares pursuant to the exercise of options which have been granted pursuant to the ESOP Plan. For further details in relation to the ESOP Plan of our Company, see “- *Employee Stock Option Plan*” below.
7. **Equity Shares issued in the preceding one year below the Offer Price**

Details of issue of Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Draft Red Herring Prospectus are set forth in the table below:

<b>Date of Allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Face value per Equity Share (₹)</b>	<b>Issue price per Equity Share (₹)</b>	<b>Reason/Nature of Allotment</b>	<b>Form of consideration</b>
October 11, 2021	75,581	10	43	Rights Issue	Cash
October 18, 2021	73,256	10	43	Rights Issue	Cash
November 3, 2021	35,000	10	43	Rights Issue	Cash
November 18, 2021	1,03,606	10	43	Rights Issue	Cash
December 10, 2021	2,94,990	10	43	Rights Issue	Cash
February 4, 2022	9,34,331	10	43	Rights Issue	Cash
May 23, 2022	5,65,711	10	292	Rights Issue	Cash

## 8. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total number 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)				Number 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) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoters and Promoter Group	6	72,53,589	0	0	72,53,589	72.58	72,53,589	0	72,53,589	72.58	0	0	0	0	0	0	72,53,589
(B)	Public	31	27,40,639	0	0	27,40,639	27.42	27,40,639	0	27,40,639	27.42	0	0	0	0	0	0	27,40,639
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>37</b>	<b>99,94,228</b>	<b>0</b>	<b>0</b>	<b>99,94,228</b>	<b>100.00</b>	<b>99,94,228</b>	<b>0</b>	<b>99,94,228</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99,94,228</b>

9. *Other details of Shareholding of our Company*

- (a) As on the date of the filing of this Draft Red Herring Prospectus, our Company has 37 Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Sujit Bangar	33,89,862	33.92
2.	SA Trading	15,07,493	15.08
3.	Zenith Multi Trading DMCC	13,68,772	13.70
4.	Empyrean Enviro	12,19,917	12.21
5.	Atul Rege	6,46,729	6.47
6.	Aparna Bangar	4,03,452	4.04
7.	Anita Baburao Waghmare	3,56,870	3.57
8.	Suchitra Mankoskar	3,00,000	3.00
9.	Sanjay Godbole	2,00,000	2.00
10.	Samir Jayaswal	1,11,297	1.11
	<b>Total</b>	<b>95,04,392</b>	<b>95.10</b>

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Sujit Bangar	33,89,862	33.92
2.	SA Trading	15,07,493	15.08
3.	Zenith Multi Trading DMCC	13,68,772	13.70
4.	Empyrean Enviro	12,19,917	12.21
5.	Atul Rege	6,46,729	6.47
6.	Aparna Bangar	4,03,452	4.04
7.	Anita Baburao Waghmare	3,56,870	3.57
8.	Suchitra Mankoskar	3,00,000	3.00
9.	Sanjay Godbole	2,00,000	2.00
10.	Samir Jayaswal	1,11,297	1.11
	<b>Total</b>	<b>95,04,392</b>	<b>95.10</b>

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

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Sujit Bangar	29,28,583	37.02
2.	SA Trading	14,86,500	18.79
3.	Empyrean Enviro	12,19,917	15.42
4.	Zenith Multi Trading DMCC	11,61,753	14.68
5.	Suchitra Mankoskar	3,00,000	3.79
6.	Atul Rege	2,10,000	2.65
7.	Sanjay Godbole	2,00,000	2.53
8.	Anita Baburao Waghmare	1,50,000	1.90
9.	Samir Jayaswal	1,05,000	1.33
	<b>Total</b>	<b>77,61,753</b>	<b>98.10</b>



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

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)
1.	Sujit Bangar	32,40,000	48.00
2.	SA Trading	14,86,500	22.02
3.	Aparna Morale	9,08,500	13.46
4.	Suchitra Mankoskar	3,00,000	4.44
5.	Atul Rege	2,10,000	3.11
6.	Sanjay Godbole	2,00,000	2.96
7.	Anita Baburao Waghmare	1,50,000	2.22
8.	Samir Jayaswal	1,05,000	1.56
	<b>Total</b>	<b>66,00,000</b>	<b>97.78</b>

10. Except for the Equity Shares pursuant to the Fresh Issue, our Company does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

11. *Details of Shareholding of our Promoters and members of the Promoter Group in our Company*

- As on the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group holds 72,53,589 Equity Shares, equivalent to 72.58% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

Sr. No.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
<b>Promoters</b>					
1.	Sujit Bangar	33,89,862	33.92	[●]	[●]
2.	Atul Rege	6,46,729	6.47	[●]	[●]
<b>Members of Promoter Group</b>					
3.	SA Trading	15,07,493	15.08	[●]	[●]
4.	Empyrean Enviro	12,19,917	12.21	[●]	[●]
5.	Aparna Bangar	4,03,452	4.04	[●]	[●]
6.	Netresh Rege	86,136	0.86	[●]	[●]
7.	Jyoti Arun Morale	9,246	0.01	[●]	[●]
8.	Amol Arun Morale	5,136	0.01	[●]	[●]
	<b>Total</b>	<b>72,67,971</b>	<b>72.60</b>	[●]	[●]

\* Subject to finalisation of Basis of Allotment

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

The build-up of the Equity Shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of Equity Shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
<b>(A) Sujit Bangar</b>						
Subscription to MoA	August 14, 2017	5,000	10	10	0.05	[●]
Rights Issue	March 22, 2018	2,42,500	10	10	2.43	[●]
Rights Issue	August 24, 2018	90,000	10	10	0.90	[●]
Rights Issue	December 25, 2018	1,55,000	10	10	1.55	[●]
Rights Issue	January 23, 2019	85,000	10	10	0.85	[●]
Rights Issue	March 8, 2019	50,000	10	10	0.50	[●]
Rights Issue	March 25, 2019	1,45,000	10	10	1.45	[●]
Rights Issue	March 30, 2019	30,000	10	10	0.30	[●]
Rights Issue	April 26, 2019	60,000	10	10	0.60	[●]
Rights Issue	June 29, 2019	3,35,000	10	10	3.35	[●]
Rights Issue	August 28, 2019	4,22,500	10	10	4.23	[●]
Rights Issue	September 25, 2019	7,80,000	10	10	7.80	[●]
Rights Issue	November 27, 2019	4,80,000	10	10	4.80	[●]
Rights Issue	December 9, 2019	2,30,000	10	10	2.30	[●]
Rights Issue	January 23, 2020	25,000	10	10	0.25	[●]
Rights Issue	January 29, 2020	1,05,000	10	10	1.05	[●]
Transfer of Equity Shares to Empyrean Enviro *	February 17, 2021	(3,11,417)	10	10	(3.12)	[●]
Rights Issue	November 18, 2021	46,512	10	43	0.47	[●]
Rights Issue	February 4, 2022	4,05,813	10	43	4.06	[●]
Rights Issue	May 23, 2022	8,954	10	292	0.09	[●]
<b>Total shareholding (A)</b>		<b>33,89,862</b>			<b>33.92</b>	<b>[●]</b>
<b>(B) Atul Rege</b>						
Subscription to MoA	August 14, 2017	5,000	10	10	0.05	[●]
Rights Issue	December 1, 2017	2,00,000	10	10	2.00	[●]
Rights Issue	January 23, 2019	5,000	10	10	0.05	[●]
Rights Issue	October 11, 2021	50,000	10	43	0.50	[●]
Rights Issue	October 18, 2021	50,000	10	43	0.50	[●]
Rights Issue	November 18, 2021	35,000	10	43	0.35	[●]
Rights Issue	December 10, 2021	1,65,000	10	43	1.65	[●]

Nature of transaction	Date of allotment/ Transfer / Transmission	No. of Equity Shares	Face value per equity share (₹)	Issue price/ Transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Rights Issue	February 4, 2022	1,00,000	10	43	1.00	[●]
Rights Issue	May 23, 2022	36,729	10	292	0.37	[●]
<b>Total shareholding (B)</b>		<b>6,46,729</b>			<b>6.47</b>	<b>[●]</b>

\*These shares were transferred by Sujit Bangar to Empyrean Enviro in exchange of shares of Empyrean Cashews held by Empyrean Enviro.

- All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged as on the date of this Draft Red herring Prospectus.
- Except as disclosed above “*Capital Structure Build-up of the Promoters’ shareholding in our Company*” on page 81, none of our Directors or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
- There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

(i) **Details of Promoters’ contribution and lock-in for 18 months**

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of 18 months as minimum promoters’ contribution from the date of Allotment (“**Promoters’ Contribution**”), and the Promoters’ shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment.

- (ii) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoters’ Contribution are set forth in the table below.

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

\* Details to be included in the Prospectus.

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

\*\* Subject to finalisation of Basis of Allotment.

- (iii) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters’ Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters’ Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the

lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
- The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and
- Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.
- The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

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

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

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

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 30 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall remain locked in for a period of 90 days.

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

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

#### **15. *Other requirements in respect of lock-in***

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

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the SEBI Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the SEBI Takeover Regulations.

## 16. Employee Stock Option Plan

Our Company, pursuant to the resolution of our Board of Directors dated May 23, 2022 and our shareholders dated May 24, 2022 has formulated an employee stock option plan namely SSBA Employee Stock Option Plan 2022 (**ESOP Plan**) which became effective from May 24, 2022 and continues to be in force as on the date of this Draft Red Herring Prospectus.

The maximum number of Equity Shares that may be issued pursuant to the exercise of options granted to participants under the ESOP Plan shall not exceed 1,15,411 (subject to adjustments for corporate actions such as bonus issue or subdivision of Equity Shares). Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. The ESOP Plan has been framed in compliance with the SEBI SBEB Regulations, 2021 read with the circular bearing reference number CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by SEBI.

The details of the ESOP Plan as certified by V. A. Parikh & Associates LLP, Chartered Accountants through a certificate dated July 27, 2022 are as follows:

Particulars	Details												
Options Granted	1,15,411												
Options vested (including exercised)	Nil												
Options exercised	Nil												
Exercise price of options (in ₹)	₹10 per share												
Options vested and not exercised	Nil												
The total number of Equity Shares arising as a result of exercise of options.	Nil												
Options forfeited or lapsed	Nil												
Vesting Period (from the date of grant)	one to five years												
Variation of terms of options	<p style="text-align: right;"><b>For KMP's</b> 100% at the end of one year from the date of grant</p> <p style="text-align: right;"><b>For other employees</b> 20% at the end of one year 20% at the end of two year 60% at the end of three year</p>												
Money realized by exercise of options	Nil												
Total number of options in force	1,15,411												
Employee-wise detail of options granted to:													
a) Key Managerial Personnel	<table border="1"> <thead> <tr> <th>Name of KMP</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Srinivas Reddy</td> <td>23,973</td> </tr> <tr> <td>Sanjay Godbole</td> <td>23,973</td> </tr> <tr> <td>Samir Jayaswal</td> <td>23,973</td> </tr> <tr> <td>Shrenik Doshi</td> <td>5,137</td> </tr> <tr> <td><b>Total</b></td> <td><b>77,056</b></td> </tr> </tbody> </table>	Name of KMP	Options	Srinivas Reddy	23,973	Sanjay Godbole	23,973	Samir Jayaswal	23,973	Shrenik Doshi	5,137	<b>Total</b>	<b>77,056</b>
Name of KMP	Options												
Srinivas Reddy	23,973												
Sanjay Godbole	23,973												
Samir Jayaswal	23,973												
Shrenik Doshi	5,137												
<b>Total</b>	<b>77,056</b>												
b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year.	Amod Bhadbade – 6,849 options												

Particulars	Details			
c) Identified employees who were granted options during any one year equal to/exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant.	Not applicable			
d) Number of employee to whom options were granted.	29			
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard on EPS.	No options exercised hence not applicable.			
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been finalized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals.	Fair valuation done as per black scholes, hence not applicable.			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely, risk free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option.	As per valuation report dated July 12, 2022 by Bhavesh M. Rathod registered valuer of securities or financial assets dated July 12, 2022.			
Schedule	100%	20%	20%	60%
(a) Expected life of options (years).	3.5	3.5	4.5	5.5
(b) Volatility (% p.a.).	38.04%	38.04%	38.04%	38.04%
(c) Risk Free Rate of Return (%)	7.04%	7.04%	7.18%	7.23%
(d) Dividend Yield (% p.a.)	0	0	0	0
(e) Exercise price per share (₹)	10.00	10.00	10.00	10.00
(f) weighted average share price on the date of grant (₹).	10.00	10.00	10.00	10.00
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years.	Not applicable as there were no options outstanding in last three Fiscals.			
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer.	Not applicable as options not yet exercised.			
Intention to sell Equity Shares arising out of the ESOP Plan or allotted under an ESOP Plan within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions).	Not applicable Directors, senior managerial personnel and employees who could potentially have (as no options have been vested and exercised as yet) Equity Shares arising out of the ESOP Plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), do not intend to sell their Equity shares (allotted on exercise of options, if any) within three months after the listing of Equity Shares pursuant to the Offer.			

17. Our Company, our Directors and the BRLM have no existing buyback arrangements and/ or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

18. None of our Directors or Key Managerial Personnel of our Company, except Sujit Bangar and Aparna Bangar, Sanjay Sharadchandra Godbole, Srinivas Reddy and Shrenik Doshi hold any Equity Shares in our Company. For details, see “Our Management Shareholding of Directors in our Company” and “Our Management Shareholding of the Key Managerial Personnel” on pages 184 and 194 respectively.

19. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
20. Except for 69,246 Equity Shares held by Systematix Fincorp India Limited, a wholly owned subsidiary of Systematix Corporate Services Limited, the Book Running Lead Manager and its associates (as defined in the SEBI Merchant Bankers Regulations do not hold any Equity Shares of our Company. The Book Running Lead Manager and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
21. None of our Promoters or members of our Promoter Group will participate in the Offer.
22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges. However, the foregoing restrictions do not apply to any issuance of Equity Shares, pursuant to the exercise of employee stock options under the ESOP Plan.
23. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
24. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The Offer is through a Fresh Issue of Equity Shares by our Company.

### Proceeds of the Offer

The details of the proceeds of the Offer are set forth below:

<i>(₹ in thousand)</i>	
Particulars	Estimated Amount
Gross Proceeds of the Offer	1,05,000.00
(Less) Offer related expenses in relation to the Offer*	[●]
Net Proceeds*	[●]

\*To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

### Objects of the Offer

The Net Proceeds from the Offer i.e. gross proceeds of the Offer less the Offer related expenses are proposed to be utilized by our Company for the following objects:

<i>(₹ in thousand)</i>		
Sr. No.	Particulars	Estimated Amount
1.	User acquisition and business development	6,54,473.00
2.	Technological development	1,52,205.00
3.	General corporate purposes*	[●]
<b>Total#</b>		[●]

\*To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.

#The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Offer.

(collectively, the “**Objects**”)

In addition to the Objects, the Offer is being undertaken to realize the benefits of listing of our Equity Shares on the Stock Exchanges, including the enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects clause of our Memorandum of Association enable our Company to: (i) undertake the existing business activities; and (ii) undertake the activities proposed to be funded from the Net Proceeds. Further, we confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

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

Since the Net Proceeds are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, a schedule of deployment of funds in relation to the Objects has not been provided. We intend to deploy the Net Proceeds towards the Objects over three Financial Years (“**Deployment Period**”) from listing of the Equity Shares pursuant to the Offer, in accordance with the business needs of our Company. However, the actual deployment of funds will depend on a number of factors, including but not limited to market conditions, our Board’s analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Depending upon such factors, we may have to reduce or extend the Deployment Period for the stated Objects at the discretion of our management.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are subject to revisions on account of changes in costs, financial condition, business strategy or external circumstances which may not be in our control. If the actual utilisation towards funding organic growth initiatives, as set out hereunder, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals. We believe that such alternate arrangements would be available to fund any such shortfalls.



## Means of finance

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer or through existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

## Details of the Objects

### 1. User acquisition and business development for TaxBuddy and Finbingo

We operate our business through our two in house developed platforms, TaxBuddy and Finbingo. Our Company has 4,79,106 registered Users on TaxBuddy and 5,455 registered Users on Finbingo as on June 30, 2022.

With an aim to increase our User base and business development, we will continue to incur substantial costs towards marketing and promotional expenses, through (i) engaging social media influencers; (ii) search engine optimization; (iii) social media advertisement; and (iv) content marketing. Apart from earned media which we get from our services reviews and recommendations to shares, reposts, and mentions, we plan to continue paid campaigns which are targeted demographically. This will give us more brand authority, brand loyalty, high conversion rates and increased brand awareness. Through our customer-centric approach, we have created strong brand, which has started getting recognition throughout India, and we anticipate reducing our advertising and promotion expenses.

Historically, we have incurred certain expenses on our marketing and promotional activities of our Company including customer inducement. Our marketing and promotional expenses for Fiscal 2022, Fiscal 2021 and Fiscal 2020 were ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, which constituted 238.04%, 195.22% and 371.30% of our total revenue from operations, respectively. Our expenses towards (i) google advertisements for Fiscals 2022, 2021 and 2020 were ₹31,198.51 thousand; ₹8,886.41 thousand and ₹2,634.08 thousand, respectively; (ii) social/digital media for Fiscal 2022 was ₹2,379.29 thousand; and (iii) influencer marketing for Fiscals 2022 was ₹7,790.00 thousand. Our CAC for Fiscal 2022, Fiscal 2021 and Fiscal 2020 are ₹2,029.63 thousand, ₹1,325.17 thousand and ₹1,646.30 thousand, respectively.

We will also work extensively on search engine optimisation and application store optimisation to drive more Users and traffic to our platform. We are able to reach a wide internet audience through our extensive digital marketing capabilities to acquire new Users and connect better with our existing Users.

We will seek to continue building on our brand visibility and User loyalty through marketing efforts such as higher advertising spends across digital and social media. Further, we intend to significantly increase our investment in marketing and advertising activities to not only reinforce our brand across our existing markets, but also to create visibility in the new ones. We work closely with our advertising partners to implement the latest tools and technologies to consistently improve the efficiency of our marketing campaigns. We believe that such initiatives have helped us reach a large part of the internet user base in India and continue to maintain high brand awareness.

We have historically made significant investments in marketing and business promotional activities, in order to augment our User base by acquiring new Users and retaining existing ones. We use a combination of digital and traditional marketing to attract Users to our platform, from creating awareness of our platform, encouraging first-time usage of our platform, and converting them into repeat Users. With a view to attracting new Users, we take a multi-pronged approach towards marketing. We have spent ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, respectively, on our advertising and promotion expenses in Fiscal 2022, Fiscal 2021 and Fiscal 2020.

In light of the above, we propose to utilize ₹6,54,473 thousand out of the Net Proceeds towards User acquisition and business development for both the Platforms.

Our deployment of marketing, advertising, and business promotion activities is contingent on various factors. We may choose to purchase more advertising space for certain desirable medium and less advertising time in other medium, channels or segments. Accordingly, our advertising and marketing plans may vary in terms of

deployment of media spends across various channels like social media, on-line and digital, depending upon operational requirements.

Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated and User acquired. There is risk of increased cost of acquiring new Users through marketing efforts due to heightened competition for digital traffic. If User conversion rates are not commensurate with our expenditure, our expenditure may be disproportionate to our returns on such marketing investments. For more details, see “*Risk Factor – Our efforts to acquire new Users and retain existing Users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue*” at page 34.

## **2. Technological development of our platform**

Business functions pertaining to our platforms, ranging from marketing and User experience to delivery and fulfilment are integrated using back-end systems based on technology infrastructure. Thus, we have to maintain and upgrade our technology infrastructure in order to meet our User expectation and User needs, as well as to expand our range of offering to Users. We have developed our own platforms and technology stack, using open source technologies to tailor our platforms closely to the needs and preferences of Users as well as our own business operations.

We believe that we attract Users by providing an easy-to-use interface (especially for new internet users), which is coupled with a personalised browsing experience. We utilize methods such as AI, ML algorithms and data science to analyse large volumes of data relating to User browsing and purchasing behaviour. We need to adapt and expand our technology infrastructure and capabilities to cater to new initiatives, products and services such as adding new value added features for integration of TaxBuddy our platforms to potential Users to strengthen our services and customer experience. Additionally, we will also need to enhance and mature our AI based financial advisory tools like wealth builder, portfolio doctor developed in Finbingo which will improve Customer experience. The demand for such products and services may be different from our existing business lines and may require significant investment towards technology underlying integration in order to align with User preferences. We intend to further refine our User interface and technology capabilities to support initiatives targeted to improve engagement with new visitors and to make our User experience more immersive.

Our technology solutions and systems are maintained and enhanced by more than 23 employees in technology, product, data sciences and engineering teams, as of June 30, 2022. We use technology to support our User experience, through our support infrastructure that we developed in-house, as well as automated self-serve systems for User queries.

Our technology infrastructure expenses were ₹35,885.01 thousand, ₹22,979.21 thousand and ₹53,744.22 thousand during Fiscals 2022, 2021 and 2020 respectively while our total expenses during the said Fiscals were ₹1,06,621.18 thousand, ₹31,405.69 thousand and ₹5,226.62 thousand. The key costs we incur in respect of our technology infrastructure comprise of technology and communication costs, software expenses, server hire charges, employee costs and support cost incurred on facilities used by the employees.

Online services at scale are a technology intensive business. It requires a high level of real-time technology integration and precision for efficient operations.

We have an in-house team of experienced engineers and support staff who work on building and maintaining our technology infrastructure.

The cost proposed to be incurred for the technological development of our Company is ₹1,52,205 thousand which includes infrastructure upgrade, AI/ML advancement, internal tools/workflow engine, security review and compliance, external data and API integration, external tools, integration extension for corporate tie up.

## **3. General corporate purposes**

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹[●] thousand, towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include meeting ongoing general corporate purposes or contingencies, strengthening marketing

capabilities and brand building exercises, enhancing our technology related infrastructure, other capital expenditure requirements including for refurbishment, new product development, meeting exigencies and expenses incurred by our Company in the ordinary course of business, as may be applicable. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any.

## Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] thousand.

The Offer related expenses primarily include fees payable to the BRLM and legal counsel, fees payable to the Auditor, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses will be borne, upon successful completion of the Offer, by our Company in accordance with applicable law.

The estimated Offer related expenses are as under:

Activity	Estimated expenses <sup>(1)</sup> (₹ in thousand)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
BRLM's fees	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(2)(3)(4)(5)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
<b>Others</b>			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price.

<sup>(2)</sup> Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows:

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

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

<sup>(3)</sup> No processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	₹[●] per valid application (plus applicable taxes)
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Portion for Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)
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(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Sponsor Bank	₹[●] per valid Bid cum Application Form* (plus applicable taxes)  The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.
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\*For each valid application

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

### Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Appraising entity

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

### Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

### Monitoring of utilisation of funds

Our Company will appoint the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations prior to filing of the Red Herring Prospectus. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Financial Years as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

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

### Variation in Objects of the Offer

Our Company shall not vary the objects of the Offer, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, unless our Company being authorised to do so by the Shareholders by way of a special resolution or through Postal Ballot and such variation will be in accordance with the applicable laws including the Companies Act and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

**Other confirmations**

Other than to the extent of outflows towards employee costs for retaining skilled personnel, no part of the Net Proceeds will be paid by our Company as consideration to our Board of Directors or our Key Management Personnel, and there are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Board, our Key Management Personnel or Group Companies.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also see “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” beginning on pages 31, 150, 261 and 202, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- a. Seamless filing services compatible on multiple delivery channels offers ease of access;
- b. Mobile first approach driving better User engagement and experience;
- c. In-house full-stack technology capabilities offering security and third party integration;
- d. Experienced promoters and management supported by a qualified and experienced employee base;
- e. Subscription plans of our TaxBuddy platform caters to different needs of Subscribers at a reasonably low and affordable cost;
- f. One-stop solution for all tax related queries round the year;
- g. Asset Light Model; and
- h. High level of User satisfaction.

For further details see “Our Business–Our Strengths” on page 153.

### Quantitative Factors

Certain information presented below relating to our Company, is derived from the Restated Financial Statements. For details, see “Financial Statements” beginning on page 202.

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

#### 1. Basic and Diluted Earnings per Share (“EPS”)

Fiscal	Basic EPS	Diluted EPS	Weight
March 31, 2022	(10.73)	(10.73)	3
March 31, 2021	(3.97)	(3.97)	2
March 31, 2020	(1.14)	(1.14)	1
<b>Weighted average</b>	<b>(6.88)</b>	<b>(6.88)</b>	

Notes:

EPS has been calculated in accordance with the Indian Accounting Standard 33 – ‘Earning per share’ notified under the Companies (Indian Accounting Standards) Rules, 2015. The above statement should be read with significant accounting policies and notes on Restated Financial Statements.

The earnings per share reflects the impact of rights shares issuance.

- The face value of Equity Shares of the Company is ₹10.
- Basic EPS (₹) = Profit/(Loss) for the period / year as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period;

- Diluted EPS (₹) = Net profit after tax/ loss after tax, as restated attributable to equity shareholders divided by weighted average number of potential Equity Shares outstanding during the year/period;
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

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

Particulars	P/E at the lower end of the Price Band (number of times)*	P/E at the higher end of the Price Band (number of times)*
Based on basic EPS for Fiscal 2022	[●]	[●]
Based on diluted EPS for Fiscal 2022	[●]	[●]

\*it will be populated in the Prospectus

## 3. Industry Peer Group P/E Ratio

There are no listed companies in India that are comparable in all aspects of business and services that we provide. Hence, it is not possible to provide an industry peer group P/E ratio.

## 4. Return on Net Worth (“RoNW”)

Fiscal	RoNW, as derived from the Restated Financial Statement (%)	Weight
March 31, 2022	(149.30)	3
March 31, 2021	(37.81)	2
March 31, 2020	(8.02)	1
<b>Weighted average</b>	<b>(88.59)</b>	<b>-</b>

Notes:

1. RoNW is calculated as net profit after tax (as restated) attributable to equity shareholders divided by net worth (as restated) excluding preference share capital at the end of the year.
2. Net worth has been computed as 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, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve i.e., write-back of depreciation, notional reserves created on account of Ind AS impact.
3. The weighted average is a product of RoNW and respective assigned weight dividing the resultant by total aggregate weight.

## 5. Net Asset Value (“NAV”) per Equity Share

Fiscal/Period Ended	NAV derived from the Restated Financial Statements (in ₹)
As on March 31, 2022	7.19
After the completion of the Offer	[●]
(1) At Floor Price	[●]
(2) At Cap Price	[●]

Notes:

1. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
2. Net asset value per Equity Share = Net worth (sum of equity share capital, other equity and non-controlling interest) / number of Equity Shares outstanding as at the end of year/period..

## 6. Comparison of accounting ratios with listed industry peers

There are no listed companies in India that are comparable in all aspects of business and services that we provide. Hence, it is not possible to provide an industry comparison in relation to our Company.

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

The Offer Price of ₹[●] has been determined by our Company in consultation with the BRLM, on the basis of the assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial

*Statements*” beginning on pages 31, 150, 261 and 202, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in “*Risk Factors*” beginning on page 31 and the investors may lose all or part of your investments.



## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors  
SSBA Innovations Limited**

Opposite. MTNL Office,  
1309, Lodha Supremus,  
Saki Vihar Rd, Powai,  
Mumbai 400072.

and

**Systematix Corporate Services Limited**

The Capital, A-Wing, No. 603-606, 6th Floor,  
Plot No. C-70, G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051

(Systematix Corporate Services Limited is hereinafter referred to as the “**Book Running Lead Manager**” or the “**BRLM**”)

**Re: Proposed initial public offering of equity shares of ₹10 each (“Equity Shares”) by SSBA Innovations Limited (“Company”) through a fresh issue of Equity Shares (“Offer”)**

Dear Sirs,

We, V. A. Parikh & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, have audited the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 (as per Ind-AS requirements) and issued our audit report for the same. (“**Audited Financial Statements**”).

Further, we have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institutes of Chartered Accountants of India (“**Special Purposes Guidance Note**”) and Standards on Auditing specified under Section 143(10) of the Companies Act and we have accordingly re-audited the standalone and consolidated financial statements of the Company for the financial years ended March 31, 2021 and March 31, 2020 as per the Indian Accounting Standards prescribed under section 133 of the Companies Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (“**Ind AS**”) which were prepared as per Indian Generally Accepted Accounting Principles requirements and issued our special purpose audit report for the same. (“**Re-audited Financial Statements**”, together with Audited Financial Statements, the “**Audited Consolidated Financial Statements**”). The Audited Financial Statements and the Re-audited Financial Statements were approved by Board in their meeting dated June 27, 2022.

The Company has restated the Audited Consolidated Financial Statements in accordance section 133 of the Companies Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), 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 “**Prospectus Guidance Note**”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”). (“**Restated Financial Statements**”).

Subsequently, we have examined the Restated Financial Statements in accordance with the following:

- (a) Section 26 of Part I of Chapter III of the Companies Act;
- (b) Relevant provisions of SEBI ICDR Regulations; and
- (c) Relevant provisions of Prospectus Guidance Note.

We hereby report that the enclosed statement is in connection with the special tax benefits available to (i) the Company and, (ii) to the shareholders of the Company, under applicable tax laws presently in force in India including the Income Act, 1961 (“**Act**”), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable states’ Goods and Services Tax Act, the Finance Act, 2021, the Foreign

Trade Policy and Handbook of Procedures, Customs Act, 1962, State Industrial Incentive Policies and rules made under any of the aforementioned legislations.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose, or be able, to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company. Further, the benefits discussed in the enclosed statement are neither exhaustive nor conclusive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

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

1. The Company or its shareholders will continue to obtain these benefits in the future; or
2. The conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We undertake to update you of any change in the above-mentioned disclosures until the Equity Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and for inclusion, in part or in full, in the draft red herring prospectus, updated draft red herring prospectus, the red herring prospectus and the prospectus to be filed in relation to the Offer (collectively the “**Offer Documents**”) or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Manager and the legal advisor to the Offer. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or judicial authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Manager, in accordance with applicable law.

All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours sincerely,

**For V. A. Parikh & Associates LLP**  
**Chartered Accountants**  
Firm Registration No: 112787W / W100073

Nirav Parikh  
Partner  
UDIN: 22121674ANSRZF5743  
Membership No.: 121674  
Place: Mumbai  
Date: July 27, 2022

## STATEMENT OF SPECIAL TAX BENEFITS

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

Outlined below are the Possible Special Direct Tax benefits available to the company and its Shareholders under the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

#### I. Special direct tax benefits available to the Company

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.17% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e., Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

In such a case, the Company will not be allowed to claim any of the following deductions/ exemptions under the Act:

1. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
2. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
3. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
4. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 (Expenditure on scientific research)
5. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
6. Deduction under section 35CCD (Expenditure on skill development)
7. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
8. Deduction under Section 80LA other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA of the Act.
9. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) above.
10. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) above.

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Additionally, such Company will not be entitled to claim tax credit relating to MAT.

The company has not opted for section 115BAA of the Act for Assessment Year 2021-22 and has represented us that as on the date of statement they have not opted for section 115BAA of the Act for AY 2022-23.

Further, as per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the

relevant year. If the Company has investments in India, it can avail the above-mentioned benefit under Section 80M of the Act.

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

However, presently company is having accumulated losses and the above benefit will be available to the Company after absorption of the accumulated losses.

## **II. Special direct tax benefits available to the Shareholders of the Company**

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, 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, surcharge would be restricted to 15%, irrespective of the amount of dividend.

As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note, that tax shall be levied where such capital gains exceed INR 1,00,000/-.

As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

Except for the above, the Shareholders of the Company are not entitled to any other special direct tax benefits under the Act.

## **III. Special Indirect Tax benefits available to the Company**

- The company has no export of goods or services. Refund benefit under zero rated supply is not applicable.
- The company is not importing any materials. They are not eligible for any Free Trade Agreement (FTA) benefits.
- Rebate of State & Central Taxes and Levies (RoSCTL) or Merchandise Exports from India Scheme (MEIS) is not applicable as there is no export supplies made by the company.
- Duty drawback, EPCG etc., no other benefit shall be available which are against export supplies.

## **IV. Special Indirect tax benefits available to the Shareholders of the Company**

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications) and Special Economic Zones Act, 2005.

### **Notes:**

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is

advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. The Statement has been prepared on the basis that the shares of the Company are to be listed on a recognized stock exchange in India and the Company will be issuing its equity shares.
4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - i. the Company or its shareholders will continue to obtain these benefits in future;
  - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
  - iii. the revenue authorities/courts will concur with the view expressed herein.
5. In respect of non-resident shareholders, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
6. No assurance is provided 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.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Industry Research Report on E-Filing of Income Tax returns in India” dated July 19, 2022 (“Fitch Report”), prepared by Fitch Solutions appointed by us pursuant to an engagement letter dated April 30, 2022, and exclusively commissioned and paid for by our Company in connection with the Offer. The data may have been reclassified 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. 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. While preparing the Fitch Report, Fitch Solutions has also sourced information from publicly available sources, including our Company’s historical financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been derived from Restated Consolidated Financial Statements. Accordingly, the financial information of our Company in this section is not comparable with restated financial statements presented elsewhere in this Draft Red Herring Prospectus.*

*We commissioned and paid for such report for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports paid and commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 46.*

*Unless otherwise indicated, all industry and other related information derived from the Fitch Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Fitch Solutions was appointed by our Company and is not connected to our Company, our Directors, and our Promoters.*

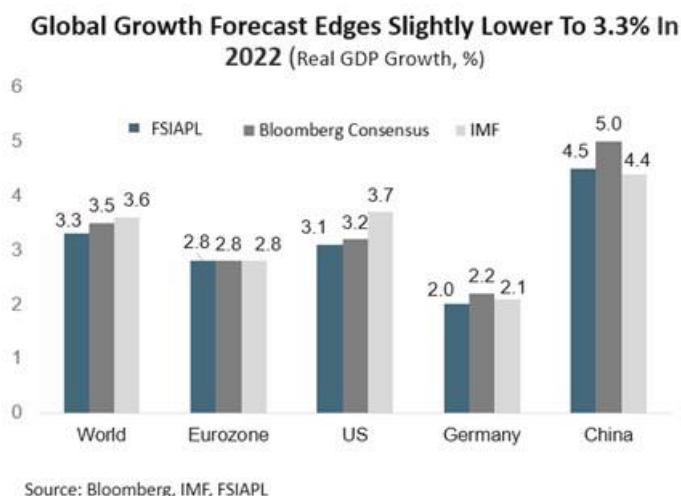
### OVERVIEW OF GLOBAL ECONOMY

The Global economy is severely impacted because of Russia’s invasion of Ukraine; causing a tragic humanitarian crisis in Eastern Europe; and the sanctions aimed at pressuring Russia to end hostilities. Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, Central Asia, Middle East and North Africa, and sub-Saharan Africa are most affected. The food and fuel price increases will hurt lower-income households globally, including in the Americas and Asia. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spill overs through commodity markets, trade, and financial channels.

Global economy was on a mending path but had not yet fully recovered from the COVID, -19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones. In addition to the war, frequent and wider-ranging lockdowns in China, including in key manufacturing hubs, have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures have also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) expects the Global economy to grow by 3.3% in 2022. At 3.3%, our forecast for global growth remains below the Bloomberg consensus estimate of 3.5% as well as the IMF's April 2022 forecast of 3.6%. FSIAPL’s growth forecasts was driven primarily by Russia, Germany and China. Central banks continue to tighten policy and Developed Markets (DMs) are slowly catching up with Emerging Markets (EMs) tightening cycles. FSIAPL expects DM Central

banks will start to move more quickly over the coming months and particularly in the US and the eurozone. FSIAPL now forecasts the US Federal Reserve will raise interest rates to 2.0% in 2022. In the eurozone, FSIAPL expects the European Central Bank will start to normalise monetary policy and hike interest rates in Q42022.



An overview of the Global Macro Economic projections is given in the table below:

**Global Macro Economic Forecasts (2019-2026)**

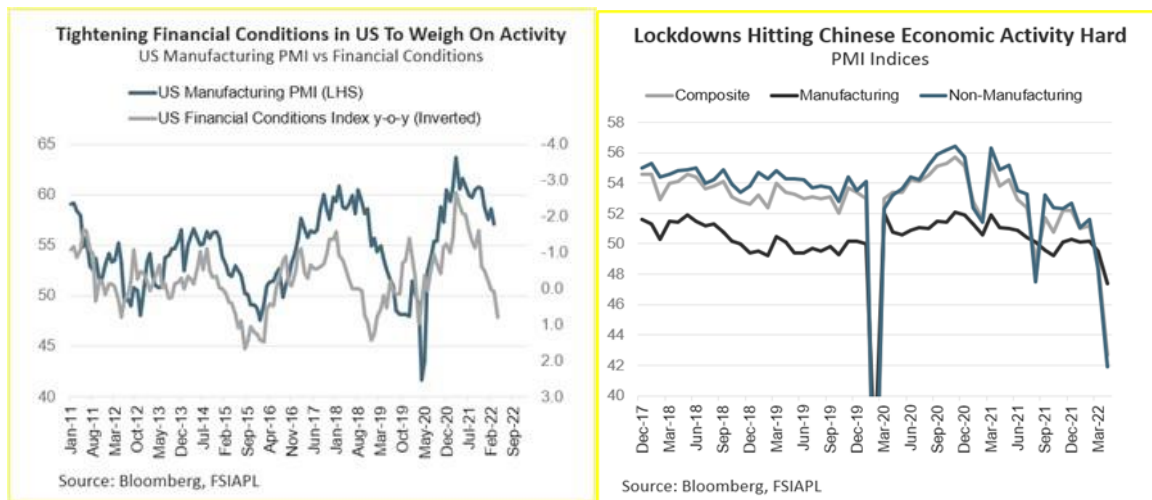
Name of the Country/ Economy	2019	2020	2021	2022f	2023f	2024f	2025f	2026f
<b>Real GDP Growth (%)</b>								
United States	2.3	-3.4	5.7	3.1	2.0	2.0	2.0	2.0
Eurozone	1.6	-6.3	5.4	2.8	2.4	2.0	1.7	1.7
Japan	-0.2	-4.5	1.7	2.3	1.3	1.0	1.0	0.9
China	6.0	2.3	8.1	4.5	5.5	5.4	5.3	5.2
India	6.5	4	-6.6	8.9	7.2	6.4	6.5	6.9
World	2.6	-3.2	5.8	3.3	3.2	3.1	3	3.0
<b>Regionwise Real GDP Growth (%)</b>								
Developed Markets	1.8	-4.4	5.2	3.1	2.1	2.0	1.9	1.9
Emerging Markets	3.7	-1.3	6.7	3.7	4.7	4.7	4.4	4.4
Asia Ex-Japan	5.4	0.3	7.5	5	5.6	5.5	5.4	5.4
Latin America	0.8	-6.6	6.6	1.9	2.2	2.4	2.4	2.5
Emerging Europe	2.9	-2.1	6.2	-3.9	3.5	3.8	2.7	2.3
Sub-Saharan Africa	2.8	-1.9	4.2	3	3.6	3.5	3.6	3.9
Middle East & North Africa	0.3	-3.0	4.2	5.6	4.0	3.7	3.6	3.6
<b>Consumer Inflation (avg)</b>								
United States	1.8	1.2	4.7	6.5	2.5	2.2	2.1	2.2
Eurozone	1.2	0.3	2.6	6.5	2.3	2.0	2.0	2.0
Japan	0.5	0.0	-0.3	0.4	0.8	1.0	1.0	1.0
China	2.9	2.5	0.9	2.7	3.1	2.3	2.3	2.3
India	3.4	4.8	6.2	5.5	5.8	4.8	4.0	4.0
World	2.9	2.8	4.4	6.6	3.9	2.9	2.8	2.8
<b>Interest rates (%)</b>								
Fed Funds Rate	1.75	0.25	0.25	2.00	2.50	2.50	2.50	2.50
ECB Refinancing Rate	0.00	0.00	0.00	0.00	0.75	0.75	1.25	1.25
Japan Overnight Call Rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.00	0.00	0.00
<b>Exchange Rates (avg)</b>								
Eurozone - USD/EUR	1.12	1.14	1.18	1.13	1.16	1.20	1.23	1.24
Japan - JPY/USD	109	106	104	116	117	117	114	114
China - CNY/USD	6.91	6.90	6.45	6.40	6.55	6.68	6.72	6.74
India - INR/USD	70.4	74.10	73.9	76.0	78.0	80.3	84.0	84.0
<b>Oil Prices (avg)</b>								
OPEC Basket (USD/bbl)	64.04	41.47	69.89	99.00	89.00	84.00	87.00	87.00
Brent Crude (USD/bbl)	64.16	43.21	70.95	100.00	90.00	85.00	88.00	88.00

\*f=forecasted

Source – Bloomberg, National Sources, FSIAPL

## US: Fed to hike interest rates in 2022

Higher inflation prints, more hawkish messaging by the Fed and continued labour market strength are the main factors behind a faster pace of monetary tightening. FSIAPL expects the US Fed to hike interest rates by a further 50-75 basis points, bringing the Fed Funds rate to 3.0-3.25% by the end of December 2022. Inflation accelerated to 8.5% y-o-y in March 2022 from 7.9% in February, coming in slightly above expectations of 8.4%.



The strength in the labour market continues to surprise, with the US economy adding 4,31,000 jobs in March 2022 and the unemployment rate falling to 3.6%. FSIAPL expects the unemployment rate to continue to edge lower over the coming months given the still-high level of job openings (11,200 million in March). Moreover, a tight labour market has resulted in stronger wage pressures, with average hourly earnings rising to 5.6% y-o-y in March, and averaging 5.4% in the first three months of the year – although in real terms, wages fell by about 3.0% y-o-y over the period.

### Currency risks starting to emerge

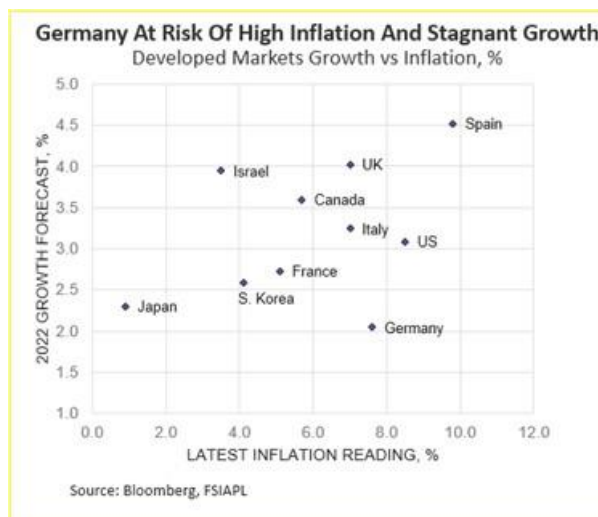
Not all Central Banks are hiking interest rates, and a divergence in monetary policy has been causing significant shifts in currency markets, particularly for the Japanese yen and the Chinese yuan. The Bank of Japan's decision to continue controlling its yield curve has seen spreads between US and Japanese bond yields widen sharply and has put significant downside pressure on the yen. The yen has declined by about 10.4% in the year to date and 5.3% in the first three weeks of April bringing it to its lowest point in 20 years. Similarly, as a result of the weakening growth outlook in China, the People's Bank of China has continued to ease monetary policy, which has also led to a narrowing of yield spreads with the US. As a result, the yuan has also weakened by about 2.2% in April 2022. Rising volatility in the yuan could start to put additional pressure on emerging market currencies more broadly, while the combination of yen and yuan weakness could increase Asian policymakers' appetite to engage in a 'competitive depreciation' of their currencies in a bid to offset a loss of competitiveness.



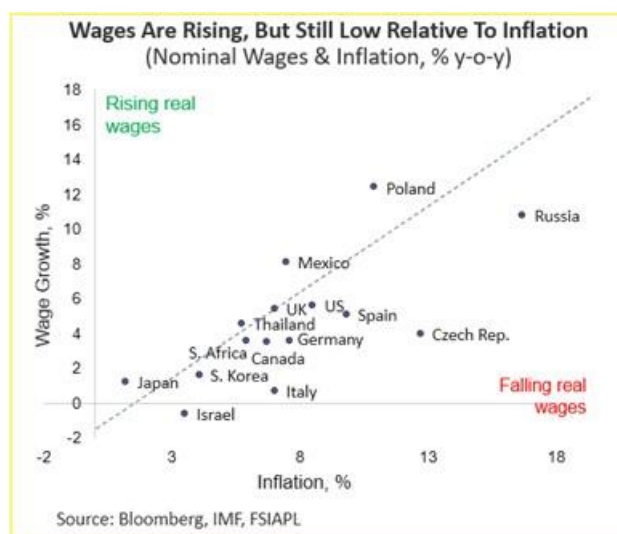
### Developed Markets: Stagflation risks are rising, lower growth ahead



Developed markets (DMs) are facing rising stagflation risks as energy prices surge, weighing on companies and consumers via higher inflation and weaker demand. Worsening consumer sentiment, weakening purchasing power and hawkish central banks could combine to push some DMs into a period of low (or even negative) growth at a time when they are experiencing multi-decade high inflation readings. At the country level, FSIAPL has cut out 2022 forecast for Germany and Italy by 1.8 percentage points (pp) and 0.8pp respectively, to 2.0% and 2.8%.



By contrast, US and Japanese consumers are only moderately more pessimistic than they were before the war in Ukraine started. In particular, nominal wages have been struggling to keep up with inflation in Italy and Canada, followed by the US and Germany. In Italy, for example, nominal wages rose by 0.7% y-o-y in February 2022, but in real terms they contracted by 3.2% in the same month, while in Canada real wages declined by 2.6%.



### Emerging Markets: Ukraine crisis prompts recession risks in vulnerable emerging markets

While most major emerging markets (EMs) have few direct trade or investment links to Russia or Ukraine, Moscow's invasion will still create significant economic headwinds. FSIAPL expects that the war will result in a period of high food and fuel prices, which will add to elevated inflation and put pressure on balance of payments positions. EM growth is forecasted at 3.7%, and it is believed that risks are weighted to the downside. There are a few EMs that entered 2022 with less momentum and which could be pushed into technical recessions as they are hit by a combination of aggressive monetary tightening, adverse terms of trade and weakening sentiment. For example, in Thailand, South Africa, Brazil, Sri Lanka and Mexico output rose by less than 2.0% y-o-y in the final quarter of 2021. In Thailand and Sri Lanka, activity had already fallen in Q32021.

### Impact of Global Events on India

The Indian economy has come out of three Covid waves and now faces headwinds from elevated crude prices and supply chain disruptions due to the war scenario in Europe. Omicron, rising food prices, sticky inflation, the US Fed's much anticipated lift-off, and escalation of geopolitical tensions have adverse effect on the macroeconomic and financial landscape of India in FY23. These events have impact on the Indian Economy in the following ways:

Increasing oil prices in India: International oil prices spiked in 2022, hitting a near 14-year high of USD 140 a barrel in March 2022, after Russia's invasion of Ukraine exacerbated supply concerns. They have retreated but continue to be above USD 110 - a rate that is fueling inflation and impacting economic recovery in many parts of the world including India. The world is facing a situation where the amounts of energy released in the global market are short of the demand. The decline in the US oil stocks and increased demand after easing lockdown restrictions in China, the No. 1 crude importer, is now threatening to add even more upward pressure to prices.

Rupee depreciation: Surging crude prices, pullout by foreign portfolio investors from Indian equity markets, broad dollar strength and firm US bonds are among the reasons for weakness in the rupee. Indian rupee is trading at INR 79.6/ USD as on 5th July 2022, it could slide further after hitting a historic low last month. The currency may drop to between INR 79 to INR 81 per dollar over the next few months.

Increasing Gold prices: Investments in gold increase amid economic crisis increases, as investors consider it as a safe-haven asset. In the past one month, both equity and bond markets have suffered amid rising inflation and fallout of the prolonged Russia-Ukraine conflict. The precious metal is thus viewed as an inflation hedge to protect against the debasement of fiat currencies. It tends to have a loose correlation with other asset classes, particularly equities.

Higher commodity and food prices: Due to the Russia-Ukraine war scenario, India may face higher expenditure on items that the government subsidises, particularly food and fertiliser. Higher commodity prices could also undermine buoyant private consumption trends in India as households spend more on those items. The Consumer Price Index-based inflation has been marginally above the RBI's target range of 2-6% for two consecutive months. Rising global commodity prices have sparked concern among policymakers, with India's central bank announcing its first interest rate hike in nearly four years.

### **The way ahead**

The adverse consequences from the current geopolitical conflict are a reminder of the importance of global cooperation. This extends from addressing the immediate needs of war refugees to the eventual great effort to rebuild Ukraine. Multilateral institutions offer a critical safety net, providing emergency liquidity and preventing crises from spreading. On climate, advanced economies must make real progress toward their COP26 climate summit pledges. And as the pandemic is not yet over, Governments must use all tools at their disposal to combat the virus, both by meeting vaccination targets and by ensuring equitable access to tests and treatment.

## **OVERVIEW OF INDIAN ECONOMY**

India, the world's third largest economy in terms of its PPP (purchasing power parity) with population of over 1.3 billion (billion) has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, reduced governmental controls on foreign trade and investment, served to accelerate the country's growth and India has been one of the leading growing economies, posting an average of 7.0% Gross Domestic Product (GDP) growth since beginning of this millennium. However, India's GDP growth rate has seen a downward trend over the past few quarters since Q1FY19, which has been further exacerbated by the coronavirus pandemic. Economic loss for India due to COVID-19 in FY21 is estimated to be INR 18.4 trillion. The Russian invasion of Ukraine has further led to higher oil prices and supply disruptions, pushing up prices of commodities and further raising the inflation rate in India.

### **Gross Domestic Product (GDP)**

The disruption caused by the COVID-19 pandemic unfolded with such a speed and scale that the disruption of production, breakdown of supply chains/ trade channels and total wash out of economic activities in certain sectors – e.g. aviation, tourism, hotels and hospitality – did not allow the economic activity to become normal throughout FY21. According to NSO data, the size of the Indian economy in FY21 was INR 135.6 trillion at 2011-12 constant prices. It grew to INR 147.7 trillion at 2011-12 constant prices in FY22 as per NSO's 2nd Advanced Estimate of National Income 2021-22.

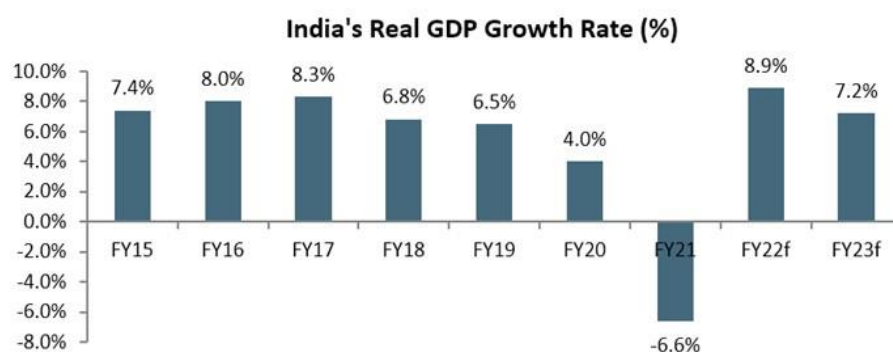
## Components of Gross Domestic Product

(Base Year : 2011-12) Constant Prices					(Amount in INR Trillion)		
Items/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (1st RE)	2021-22 (2nd AE)
Private Final Consumption Expenditure	63.8	69.0	73.3	78.8	82.6	77.6	83.6
Government Final Consumption Expenditure	11.3	12.0	13.4	14.3	14.8	15.4	16.1
Gross Fixed Capital Formation	34.9	37.9	40.8	44.9	46.1	41.3	47.3
Changes in Stocks	2.4	1.2	2.1	2.6	1.1	-0.1	1.9
Valuables	1.9	1.5	2.1	1.9	1.6	2.1	3.4
Exports of Goods and Services	23.7	24.9	26.0	29.2	28.1	25.5	30.9
Import of Goods and Services	25.1	26.2	30.8	33.4	33.2	28.6	37.2
Discrepancies	0.8	2.8	4.4	1.7	4.0	2.4	1.7
<b>Gross Domestic Product</b>	<b>113.7</b>	<b>123.1</b>	<b>131.4</b>	<b>140.0</b>	<b>145.2</b>	<b>135.6</b>	<b>147.7</b>
(Base Year : 2011-12) Current Prices					(Amount in INR Trillion)		
Items/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (1st RE)	2021-22 (2nd AE)
Private Final Consumption Expenditure	81.3	91.3	100.4	112.2	122.4	120.3	140.2
Government Final Consumption Expenditure	14.4	15.9	18.4	20.4	22.0	23.9	26.9
Gross Fixed Capital Formation	39.6	43.4	48.2	55.1	57.4	52.6	67.0
Changes in Stocks	2.6	1.4	2.4	3.2	1.3	-0.1	2.2
Valuables	2.0	1.7	2.4	2.3	1.9	2.7	4.6
Exports of Goods and Services	27.3	29.5	32.1	37.7	37.5	37.0	49.2
Import of Goods and Services	30.4	32.2	37.5	44.7	42.7	37.8	54.1
Discrepancies	1.0	3.1	4.6	2.7	0.9	-0.7	0.4
<b>Gross Domestic Product</b>	<b>137.7</b>	<b>153.9</b>	<b>170.9</b>	<b>188.9</b>	<b>200.7</b>	<b>198.0</b>	<b>236.4</b>

RE - Revised estimate, AE - Advanced Estimate

Source - NSO, MOSPI, RBI, FSIAPL

Private final consumption expenditure (PFCE) had registered a contraction for the first time in FY21 in the past four decades. PFCE picked up and grew by 7.6% in FY22. Government final consumption expenditure (GFCE) continued to provide support to aggregate demand; however, its contribution waned in FY21 and FY22 as stress mounted on government finances. Gross fixed capital formation (GFCF) recorded a contraction in FY21, primarily due to prevailing uncertainty and the imposition of lockdown. However, GFCF grew by 14.5% in FY22 owing to opening up of the economy. There was a marked expansion in the external sector in FY22; with imports increasing sharper than exports, overall net exports made a positive contribution to aggregate demand.



\*f=forecasted

Source: NSO, RBI, FSIAPL

FSIAPL expects GDP to grow 7.2% y-o-y in FY23. After a gap of two years, the Indian economy will show a meaningful expansion as the real GDP in FY23 will be 9.1% higher than the FY20 (pre-COVID level) GDP level. Despite a meaningful recovery the size of the Indian economy in FY23 will be 10.2% lower than the FY23 GDP trend value.

## Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA at basic prices, grew by 8.2% in FY22, after contracting 4.8% in FY21. The deceleration in GVA growth in FY21 was underpinned by a contraction in the industrial and the services sectors. While industrial GVA, driven by its

largest constituent – manufacturing – moved out of contraction in Q3FY21, after having registered contraction in the preceding five quarters, the resilience of the agricultural sector provided a floor to the contraction in aggregate supply. GVA by agriculture and allied activities registered a growth of 3.4% in FY22, with record production in food grains. This was the only sector which remained in expansion zone in FY21, resulting in an increase in the share of agriculture in overall GVA by 1.5% to 16.3%.

### Components of Gross Value Added

GVA at Basic Prices (Base Year : 2011-12) Constant Prices					(Amount in INR Trillion)		
Items/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (1st RE)	2021-22 (2nd AE)
Agriculture, Forestry and Fishing	16.2	17.3	18.4	18.9	19.8	20.5	21.2
Industry	24.5	26.5	28.1	29.5	28.9	27.1	28.2
Mining & Quarrying	3.2	3.5	3.3	3.3	3.2	2.9	3.3
Manufacturing	19.0	20.5	22.1	23.3	22.6	22.5	24.8
Electricity, Gas, Water Supply & Other Utility Services	2.2	2.5	2.7	2.9	3.0	2.9	3.1
Services	64.3	69.5	73.8	79.1	84.1	77.1	10.6
Construction	8.7	9.2	9.6	10.3	10.4	9.6	10.3
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	19.9	21.5	23.7	25.4	26.9	21.5	24.0
Financial, Real Estate & Professional Services	22.9	24.9	25.4	27.2	28.9	29.6	30.9
Public Administration, Defence and Other Services	12.8	14.0	15.1	16.2	17.3	16.3	18.4
<b>GVA at Basic Prices</b>	<b>104.9</b>	<b>113.3</b>	<b>120.3</b>	<b>127.4</b>	<b>132.2</b>	<b>125.9</b>	<b>136.2</b>
GVA at Basic Prices (Base Year : 2011-12) Current Prices					(Amount in INR Trillion)		
Items/Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (1st RE)	2021-22 (2nd AE)
Agriculture, Forestry and Fishing	22.3	25.2	28.3	30.2	33.6	36.1	39.6
Industry	27.8	30.2	33.3	36.3	35.5	33.6	36.2
Mining & Quarrying	2.9	3.3	3.4	3.8	3.6	3.2	5.2
Manufacturing	21.5	23.3	25.7	28.1	27.0	27.1	33.3
Electricity, Gas, Water Supply & Other Utility Services	3.3	3.6	4.3	4.5	5.0	5.1	5.7
Services	75.7	84.3	93.5	105.1	115.2	109.4	113.4
Construction	9.9	10.8	12.0	13.5	13.7	13.1	17.0
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	22.9	25.4	28.8	32.0	34.8	28.7	35.4
Financial, Real Estate & Professional Services	26.3	29.1	31.3	35.4	38.9	40.5	45.6
Public Administration, Defence and Other Services	16.6	19.0	21.4	24.2	27.0	26.8	31.7
<b>GVA at Basic Prices</b>	<b>125.7</b>	<b>139.7</b>	<b>155.1</b>	<b>171.6</b>	<b>183.6</b>	<b>180.6</b>	<b>213.6</b>

RE - Revised estimate, AE - Advanced Estimate

Source - NSO, MOSPI, RBI, FSIAPL

Sector-wise GVA trend estimates for the services show that realised growth in FY22 was below trend growth for trade, hotels, transport, communications and services relating to broadcasting and financial, real estate and professional services. In FY21, COVID-19 brought major services activities to a near halt and the sector contracted in a broad-based manner by 24.8% in Q1FY21 and 10.9% in Q2FY21, but in Q3FY21, services sector output returned broadly to its level a year ago. Domestic trading activities, railway freight traffic, port cargo, construction activities, and automobiles sales indicators for Q4FY21 suggested improvement in services sector.

### Industrial Growth trends

The Index of Industrial Production (IIP) is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products during a given period with respect to that in a chosen base period. GVA growth in industry contracted sharply on a y-o-y basis by 7.4% in FY21. This is the fifth year of sequential deceleration, including two successive years of contraction in the industrial sector. During Q1FY21, industrial activity plummeted sharply, registering a contraction of 31.1%. The turnaround in industrial activity since then has been volatile. IIP data show that the contraction was severe in case of consumer durables and capital goods, as consumers shunned discretionary expenditure while firms curbed investment. Cumulatively, the IIP declined by 8.6% in FY21. At the sub-sectoral level, however, electricity, gas, water supply and other utility services recorded a growth of 1.8% in GVA.



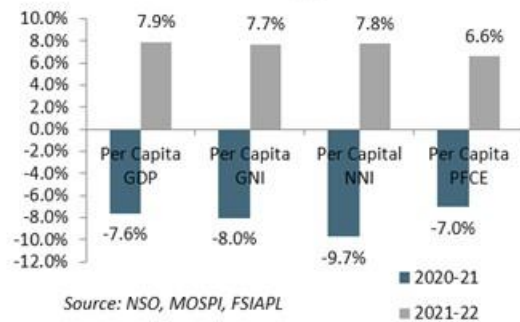
Source: MOSPI, FSIAPL

India's industrial production (IIP) for the month of March 2022 showed a dismal performance and grew at 1.9%. At the broad-based level, the output of manufacturing, the largest component of IIP, grew at 0.9% and mining and electricity at 4.0% and 6.1% respectively in March 2022. At the use-based classification, four segments namely primary goods (5.7%), capital goods (0.7%), intermediate goods (0.6%) and infrastructure goods (7.3%) witnessed positive growth in March 2022, but both consumer durables and non-durables recorded negative growth of 3.2% and 5.0%. The pattern of growth across used based classification suggest that weak consumption demand is likely to witness more headwinds in the coming months from high inflation and reversal of interest rate cycle, but the demand for infrastructure goods may continue due to the sustained government capex spending.

### Per Capita GDP, Income and Final Consumption

India's per capita gross domestic product (GDP) dropped by 7.6% to INR 1,00,032 in 2020-21, while it increased by 7.9% to INR 1,07,934 in 2021-22. Per Capita Gross National Income (GNI) dropped by 8.0% in 2020-21; whereas it increased by 7.7% to INR 1,06,217 in 2021-22. The per capita private final consumption expenditure (PFCE), that represents consumer spending, dropped by 7.0% in 2020-21; while it increased by 6.6% to INR 61,054 in 2021-22.

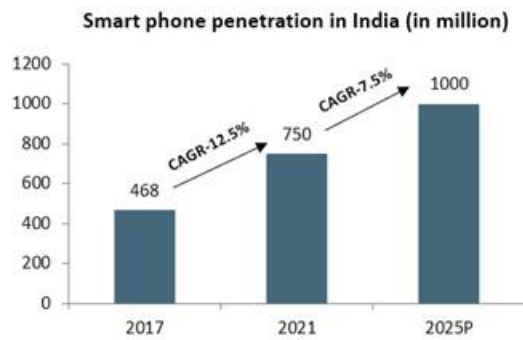
Growth in Per Capita GDP, Income and Final Consumption (%)



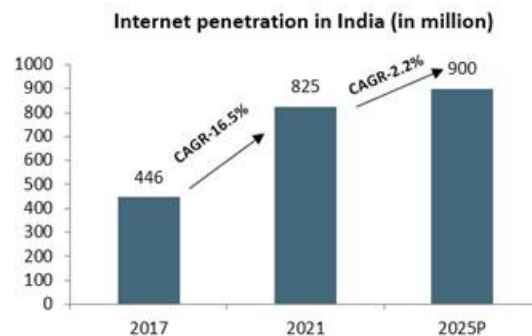
Source: NSO, MOSPI, FSIAPL

### Rapid digital adoption with smartphone and internet penetration in India

Internet penetration in India grew at a CAGR of 16.5% from 4,46,000 million subscribers in 2017 to 825 million subscribers in 2021. Low data tariffs and increasing smartphone penetration have ensured that consumers and their devices are always connected and on. India has around 1.2 billion mobile connections, 825 million internet users, and 750 million smartphone users in 2021. India has one of cheapest internet rates in the world of INR 6.7/GB. It has the highest mobile data consumption rate at 12 GB per user a month in the world, much ahead of USA (~7 GB per user a month) and China (~8 GB per user a month) and the country is adding as much as 25million new smartphone users every quarter.



Source: Telecom Regulatory Authority of India, FSIAPL



Source: Telecom Regulatory Authority of India, FSIAPL

The smartphone market in India is expected to reach 1.0 billion smartphone users by 2025. This growth is likely to be propelled by the rural sector at a compound annual growth rate (CAGR) of 6%, compared with the urban sector growing at a CAGR of 2.5% from 2021 to 2025. India's data consumption is expected to be doubled to nearly 25GB per person a month by 2025, driven by affordable mobile broadband services and changing video viewing habits. 5G is believed to become the fastest-adopted mobile technology due its diverse applications, such as high-speed gaming and remote healthcare. With huge surge in data consumption due to online education, work from home, interpersonal connect through social media, and virtual meetings; the reform measures will further boost the proliferation and penetration of internet and telecom connectivity in the country.

### Financial Inclusion in India – An overview

Financial inclusion is defined as the process of ensuring access to financial services and products needed by vulnerable groups (such as weaker sections) and low-income groups at an affordable cost. It offers various financial services and products such as banking services, insurance and equity products. The objectives of financial inclusion are to provide the following:

- A basic no-frills banking account for making and receiving payments
- Saving products (including investment and pension)
- Simple credit products and overdrafts linked with no-frills accounts
- Remittance, or money transfer facilities
- Micro insurance (life) and non-micro insurance (life and non-life)

### Reasons for Financial Exclusion in India

As India is a vast and diverse country, there is a disparity in income and education levels across various sections of the society that leads to varied levels of exposure to financial services and products; hence there are certain sections who lack awareness/ are unaware of various financial products. As per the National Strategy for Financial Inclusion 2019-24, other factors causing financial exclusion are lack of surplus income, high transaction cost, lack of required documents to avail the services and products as well remoteness of the unserved population.

### Need for Financial Inclusion in India

Through financial inclusion, the government aims to develop a culture of savings and investments among the rural population; this in turn can boost the country's economy. According to the government, bringing the vulnerable and underprivileged sections of the society under a formal financial system will help protect their financial wealth and other resources during exigencies. Moreover, with access to formal banking credit facilities, the risk of this group being exploited by usurious lenders can be mitigated. Also, the availability of timely credit from formal lending systems will encourage the entrepreneurial spirit of lower income groups, who are otherwise dependent on family, friends and money lenders for loans. Hence, providing access to formal finance to the unserved, can help lower their dependency on costly informal sources of finance, reduce their vulnerability to economic shocks and create jobs for them.

According to the RBI, as measured by its 'FI-Index', financial inclusion improved by 24.2% from 43.3 in FY17 to 53.9 in FY21. The FI-Index (Financial Inclusion Index) incorporates information related to banking, postal services, investments, pension and insurance. The FI-Index gives the highest weightage to the use of various financial services (45%), followed by access (35%) and quality (20%).

The central bank has taken several steps towards financial inclusion such as issuing Kisan Credit Cards (KCC), leveraging technology to increase financial literacy, increasing banking touchpoints in rural areas to enable seamless delivery of credit and other financial services and products.

### **Financial Inclusion Schemes by GoI**

The policy makers in India have always been aware of the importance of financial inclusion for economic growth. The government commenced the financial inclusion process way back in the 1950s by nationalising life insurance companies and banks. Subsequently, it undertook a host of initiatives and launched numerous programmes such as the National Strategy for Financial Inclusion (NSFI), in June 2017, that is backed by the Financial Inclusion Advisory Committee (FIAC). The government also introduced the following programmes:

- **Pradhan Mantri Jan Dhan Yojana (PMJDY):** The scheme offers various financial services, including basic savings & deposit accounts, insurance, pension, remittance and credit, in an affordable manner. Through this scheme, an individual can open a basic savings bank deposit (BSBD) account in any bank branch or a business correspondent (Bank Mitra) outlet. Following that, the account holder is offered a 'RuPay' debit card and has no prerequisites to maintain any minimum balance in his/her account. The account holder is eligible for other benefits including accidental insurance cover of INR 1 lakh (~USD 1370), which was increased to INR 2 lakhs (~USD 2740) for new accounts that were opened after August 28, 2018; and overdraft facility (OD) up to INR 10000 (~USD 137). As of September 01, 2021, under the scheme, the government opened accounts for 43.2 crore beneficiaries—with deposits amounting to INR 1.44,870.1 crore (~USD 19.8 billion)—and issued 31.3 crore RuPay cards. Of this, 55.4% account holders were women and ~66% accounts were in rural or semi-urban areas.
- **Pradhan Mantri Mudra Yojana (PMMY):** Launched in 2015, the scheme aims to provide term loans and working capital loans with a corpus of INR 3,000 crore (USD 411 million) to small businesses dealing in manufacturing, trading and services sectors, including the agriculture sector (poultry, beekeeping, dairy, etc.). The scheme offers loans in three categories – Shishu (up to INR 50000), Kishore (up to INR 5 lakhs) and Tarun (up to INR 10 lakhs). A MUDRA card (RuPay card) is issued by Member Lending Institutions (MLIs) to the borrowers for drawing working capital loan from any ATM or make purchases.
- **Stand-Up India:** Launched in 2016, the scheme aims to promote entrepreneurship among scheduled castes/scheduled tribes and women by offering bank loans worth between INR 10 lakhs (USD 13,700) and INR 1 crore (USD 1,37,000) to at least one SC/ST borrower and one-woman borrower per bank branch of Scheduled Commercial Banks. In this scheme, loans are specifically offered for setting up greenfield enterprises in manufacturing, trading and services sectors.
- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):** Launched in 2015, the scheme aims to insure the uninsured, especially the underprivileged class, by providing cover for death due to any reasons. The scheme offers a renewable one-year term life cover of INR 2 lakhs (USD 2,740) to all subscribing bank holders (aged 18-50). As of July 2021, under the scheme, the cumulative enrollments stood at 10.6 crore, including 45.4% women, with the total claim amounting to INR 5,154.8 crore (USD 706 million).
- **Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Launched in 2015, like the PMJJBY scheme, the PMSBY scheme offers a renewable one-year accidental death-cum-disability cover to all subscribing bank holders (aged 18-70). With an annual premium of only INR 12 (USD 0.16), a subscriber is eligible for a claim of INR 2 lakhs (USD 2740) in case of death or complete disability and a claim of INR 1 lakh (USD 1370) in case of partial disability. As of July 2021, under PMSBY scheme, cumulative enrollments stood at 24 crores, including 45.8% women, with the total claim amounting to INR 972.6 crore (USD 133 million).
- **Jan Dhan-Aadhaar-Mobile (JAM):** Under this initiative, by linking Jan Dhan bank accounts with Aadhaar and mobile numbers, the government aimed to create a digital infrastructure that can be leveraged for various purposes including transferring direct benefits, adopting pension schemes, supporting credit flows and

promoting digital payments through ‘RuPay’ cards. This initiative has enabled DBT from the government under various schemes to ~8 crore accounts.

## Indian Economic Outlook FY23

An overview of the India’s Macro Economic projections is given in the table below:

India - Economic Outlook FY23 (% change)	FY16	FY17	FY18	FY19	FY20	FY21	FY22f	FY23f
Gross value added at FY12 prices	8.0	8.0	6.2	5.9	4.1	(4.8)	8.3	6.7
- Agriculture	0.6	6.8	6.6	2.6	4.3	3.3	3.0	3.0
- Industry	9.6	7.7	5.9	5.3	(1.2)	(3.3)	10.0	5.6
- Services	9.4	8.5	6.3	7.2	7.2	(7.8)	9	8.3
Real GDP	8.0	8.3	6.8	6.5	4.0	(6.6)	8.9	7.2
- Private final consumption expenditure (PFCE)	7.9	8.1	6.2	7.6	5.5	(6.0)	8.2	8.1
- Government final consumption expenditure (GFCE)	7.5	6.1	11.9	6.3	7.9	3.6	4.3	7.8
- Gross fixed capital formation (GFCF)	6.5	8.5	7.8	9.9	5.4	(10.4)	17.5	8.8
Nominal GDP	10.5	11.8	11.1	10.5	7.8	(1.4)	18.7	13.2
Average wholesale inflation	(3.7)	1.7	2.9	4.3	1.7	1.3	11.9	6.7
Average retail inflation	4.9	4.5	3.6	3.4	4.8	6.2	5.5	5.8
Year-end interest rate (10-yr G-sec)	7.5	6.7	7.4	7.5	6.1	6.18	6.5-6.6	6.9-7.0
Average exchange rate (INR/USD)	65.5	67.1	64.5	69.9	70.9	74.23	74.5	77.6
Fiscal deficit (central government, % of GDP)	3.9	3.5	3.5	3.4	4.6	9.3	6.6	6.7
Current account deficit (% of GDP)	1.1	0.6	1.8	2.1	0.9	(0.9)	2.1	2.8

Source: Union Budget, NSO, RBI, FSIAPL

FSIAPL expects GDP to grow 7.2% y-o-y in FY23. Consumption demand as measured by private final consumption expenditure (PFCE) has been subdued in FY22, despite sales of select consumer durables showing some signs of revival during the festive season. Although the January 2022 round of Reserve Bank of India’s (RBI) Consumer Confidence Survey shows that Current Situation Index increased marginally on the back of better sentiments with respect to the general economic situation, it continues to be in the pessimistic zone. The Expectations Index, which captures one year ahead outlook, moderated due to the surge in COVID-19 infection cases in January 2022. Household sentiments on non-essential/ discretionary spending continue to be subdued. As the consumer sentiment is likely to witness a further dent due to the Russia-Ukraine conflict leading to rising commodity prices/consumer inflation, FSIAPL expects PFCE to grow at 8.1% in FY23.

After PFCE, investment demand as measured by the gross fixed capita formation (GFCF) is the second-largest component (27.1%) of GDP from the demand side. Private capex by large corporates, which has been down and out over the past several years, had shown some promise lately in view of the roll-out of the Production-linked Incentive Scheme and increased manufacturing sector capacity utilisation driven by higher exports. However, FSIAPL expects the surge in commodity prices and disruptions in global supply chain caused by the Russia-Ukraine conflict to take a toll on their sentiments and there is a likelihood that this capex may get deferred till more clarity emerges with respect to the conflict. Government capex, however, is unlikely to be dented. By scaling up the capex to GDP ratio for FY22 to 2.6% and budgeting the capex at 2.9% of GDP for FY23, the government has been showing its resolve to do the heavy lifting. FSIAPL therefore believes that the overall GFCF growth will not be impacted much and it will grow at 8.8% in FY23.

A 10% y-o-y increase in petroleum product prices without factoring in currency depreciation is expected to push up Consumer Price Index inflation by 42bp and Wholesale Price Index inflation by 104bp. Similarly, a 10% y-o-y increase in sunflower oil without factoring in currency depreciation is expected to push Consumer Price Index inflation by 12.6bp and Wholesale Price Index inflation by 2.48bp. Both these events could increase the retail and wholesale inflation by 55bp and 109bp, respectively.

Retail prices of petrol and diesel were on hold since early-November 2021. However, they have begun to inch up from March 2022 almost on a daily basis. Therefore, FSIAPL estimates retail inflation to average 5.8% - 6.0% in FY23. Due to a higher import bill for items such as mineral fuels & oils, gems & jewellery, edible oils and fertilisers, FSIAPL expects the current account deficit to come in at 2.8% of GDP.

Although the union government acknowledges the adverse impact of the Russia-Ukraine conflict on the ongoing Indian economic recovery, it is unlikely to scale down its fiscal support already announced in the FY23 budget. Even the RBI has so far resisted the temptation to tighten its monetary policy stance, despite retail inflation being close to its upper tolerance level and/or occasionally breaching it. Although there is a case for a 50bp increase in



the policy rates in FY23, the RBI may still opt for accommodation, because it believes initiating a premature demand compression via a monetary policy action would be counterproductive, particularly when the recovery is fragile and there is an output gap (the difference between potential and actual output) in the economy.

## **EVOLUTION OF INCOME TAX AND GST IN INDIA**

### **Introduction**

The Government of India levies two types of taxes on the citizens of India – Direct Tax and Indirect Tax. Indirect taxes are usually transferred to another person after being initially levied as a direct tax. Common examples of an indirect tax include Goods and Services Tax (GST) and VAT. GST is levied on the manufacturers or service providers as a direct tax, which is then transferred to the consumers when it is part of the final price of the goods or services, thus, making it an indirect tax for the consumers. On the other hand, the burden of the direct taxes cannot be transferred to another person, such as Income Tax, which every individual is supposed to pay directly to the tax authorities in India. Both indirect and direct taxes are vital components that play an essential role in changing the course of the Indian economy.

### **History of Taxation (Post 1922)**

The rapid changes in administration of direct taxes, during the last decades, reflect the history of socio-economic thinking in India. From 1922 to the present-day changes in direct tax laws have been so rapid that except in the bare outlines, the traces of the Income Tax Act, 1922 can hardly be seen in the 1961 Act as it stands amended to date. It was but natural, in these circumstances, that the setup of the department should not only expand but undergo structural changes as well.

**Tax Reforms:** Certain important policy and administrative reforms carried out over the past few years are as follows:

a) The policy reforms include:

- Lowering of rates
- Withdrawals/reduction of major incentives
- Introduction of measures for presumptive taxation
- Simplification of tax laws, particularly relating to capital gains
- Widening the tax base.

b) The administrative reforms include:

- Computerization involving allotment of a unique identification number to tax payers which is emerging as a unique business identification number; and
- Realignment of the available human resources with the changed business needs of the organization

Computerization in the Income-tax Department started with the setting up of the Directorate of Income tax (Systems) in 1981. Initially computerization of processing of challans was taken up. For this three computer centres were first set up in 1984-85 in metropolitan cities using SN-73 systems. This was later extended to 33 major cities by 1989. The computerized activities were subsequently extended to allotment of PAN under the old series, allotment of TAN, and pay roll accounting. These computer centres used batch process with dumb terminals for data entry.

In 1993 a Working Group was set up by the Government to recommend computerization of the department. Based on the report of the Working Group a comprehensive computerization plan was approved by the Government in October, 1993. In pursuance of this, Regional Computer Centres were set up in Delhi, Mumbai, and Chennai in 1994-95 with RS6000/59H Servers. PCs were first provided to officers in these cities in phases. The Plan involved networking of all users on LAN/WAN. Network with leased data circuits were accordingly set up in Delhi, Mumbai and Chennai in Phase-I during 1995-96. A National Computer Centre was set up at Delhi in 1996-97.

Integrated application software was developed and deployed during 1997-99. Thereafter, RS6000 type mid-range servers were provided in the other 33 Computer Centres in various major cities in 1996-97. These were connected to the National Computer Centre through leased lines. PCs were provided to officers of different level upto ITOs in stages between 1997 and 1999. In phase II offices in 57 cities were brought on the network and linked to RCCs and NCC.

### **Restructuring of the Income-tax Department**

The restructuring of the Income-tax Department was approved by the Cabinet in its meeting held on 31-8-2000 to achieve the following objectives:

- Increase in effectiveness and productivity
- Increase in revenue collection
- Improvement in services to tax payers
- Reduction in expenditure by downsizing the workforce
- Improved career prospects at all levels
- Induction of information technology
- Standardization of work norms

The aforementioned objectives have been sought to be achieved by the department through a multi-pronged strategy of:

- Redesigning business processes through functionalization;
- Increasing the number of officers to rationalize the span of control for better supervision, control and management of workload and to improve tax-payer services and
- Re-orient, retrain and redeploy the workforce with appropriate incentives in the form of career advancement.

### **Direct Tax – An overview**

Direct taxes, usually levied on a person's income are paid directly by taxpayers or an organization to tax authorities of the Government of India. The various types of direct taxes levied on citizens by the Government of India are as follows:

1) Corporate Tax: Under the Indian Income Tax Act, 1961, both Indian as well as foreign organizations are liable to pay taxes to the government. The corporate tax is levied on the net profit of domestic firms. Also, foreign corporations whose profits appear or are deemed to emerge through their operations in India are also liable to pay taxes to the Government of India. The income of a company, be it in the form of dividends, interest and royalties, is also taxable.

At present, companies having gross turnover up to INR 250 crore are liable to pay corporate tax at 25% of the net profit while companies with a gross turnover of more than INR 250 crore are liable to pay the corporate tax at 30%. Apart from this, other types of corporate tax include the following:

- **Minimum Alternative Tax (MAT):** MAT is imposed on 'zero tax companies', which typically refer to companies that declare little or no income in order to save tax.
- **Securities Transaction Tax (STT):** The STT is imposed on the income which the companies get through taxable securities transactions. This tax is free of any surcharge.

2) Income Tax: Income tax is perhaps the most well-known direct tax imposed by the government on annual income generated by businesses and individuals. The income tax on income generated by the business houses is

known as Corporate Tax. Income tax is calculated as per the provisions of Income Tax Act, 1961 and is directly paid to the central government on an annual basis. The income tax rate depends on the net taxable income or the tax bracket. Income tax may be deducted in the form of TDS (tax deducted at source) in case of salaried employees. However, in case of self-employed individuals, the tax is payable on the basis of declared income as per their Income Tax Return submission. ITR is basically a statement of income and the tax liability (on the basis of income declared) which is submitted to the Income Tax Department in the prescribed format. Income tax is levied on various sources of income including Income from salaries, from capital gains, from business, income from house property or other sources. Few details about income tax are explained in the below sections:

- a) **What is Income Tax return:** An Income tax return is a form used to file information about your income and tax to the Income Tax Department. The tax liability of a taxpayer is calculated based on his or her income. In case the return shows that excess tax has been paid during a year, then the individual will be eligible to receive a income tax refund from the Income Tax Department. As per the income tax laws, the return must be filed every year by an individual or business that earns any income during a financial year. The income could be in the form of a salary, business profits, income from house property or earned through dividends, capital gains, interests or other sources. Tax returns have to be filed by an individual or a business before a specified date. If a taxpayer fails to abide by the deadline, he or she has to pay a penalty.
  
- b) **Information required for filing Income Tax return:** There are certain documents required to be submitted and held as evidence under the Income Tax Act, 1961 and Income Tax Rules, 1962. Generally, the required documents/information are a copy of the PAN card, a Copy of the AADHAR card, a Bank Statement / Bank passbook, Form 16, Form 26AS, Income Tax Login id & password, home loan statements (if applicable), tax saving instrument details, capital gains detail, rental income details, dividend income details. ITR return forms are attachment less forms and, hence, the taxpayer is not required to attach any document (like proof of investment, TDS certificates, etc.) along with the return of income (whether filed manually or filed electronically). However, these documents should be retained by the taxpayer and should be produced before the tax authorities when demanded in situations like assessment, inquiry, etc.
  
- c) **Definition of ‘Person’ as per Income Tax:** Person includes the following -
  - an Individual;
  - a Hindu Undivided Family (HUF);
  - a Company;
  - a Firm
  - an association of persons or a body of individuals, whether incorporated or not;
  - a local authority; and
  - every artificial juridical person not falling within any of the preceding sub-clauses.
  - Association of Persons or Body of Individuals or a Local authority or Artificial Juridical Persons shall be deemed to be a person whether or not, such persons are formed or established or incorporated with the object of deriving profits or gains or income.
  
- d) **Persons who are required to file Income Tax Return :** Every individual has to file the return of income if his total income (including income of any other person in respect of which he is assessable) without giving effect to the provisions of section 10(38), 10A, 10B or 10BA or 54 or 54B or 54D or 54EC or 54F or 54G or 54GA or 54GB Chapter VIA (i.e., deduction under section 80C to section 80U), exceeds the maximum amount which is not chargeable to tax i.e. exceeds the exemption limit. Filing of return is mandatory in the following cases:
  - If an individual has assets outside India: An Individual, being a resident and ordinary resident in India, shall file his return of Income, even if his income does not exceed the maximum exemption limit, if he:
    - a) Holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity) located outside India

- b) Has signing authority in any account located outside India
  - c) Is a beneficiary of any asset (including any financial interest in any entity) located outside India.
- If he deposits more than INR 1 crore in bank account: An Individual or HUF shall file his return of Income, even if income does not exceed the maximum exemption limit, if he has deposited an amount (or aggregate of amount) exceeding INR 1 crore in one or more current accounts maintained with a banking company or a co-operative bank.
  - If foreign travel expense is more than INR 2 lakh: An Individual or HUF shall file his return of Income, even if income does not exceed the maximum exemption limit, if he has incurred more than INR 2 lakh on travel to a foreign country, either for himself or for any other person.
  - If electricity consumption is more than INR 1 lakh: An Individual or HUF shall file his return of Income, even if income does not exceed the maximum exemption limit, if he has incurred an expenditure exceeding INR 1 lakh on electricity consumption.
  - If total sales, turnover or gross receipt of the business exceeds INR 60 lakh during the previous year.
  - If total gross receipt of profession exceeds INR 10 lakh during the previous year
  - If the total of tax deducted and collected in case of a person during the previous year is INR 25,000 or more (INR 50,000 in case of resident senior citizen)
  - If the aggregate deposit in one or more savings bank accounts of the person is INR 50 lakhs or more during the previous year.
- e) Due dates of Filing Income Tax return: The due dates for filing return of income are as follows:
- Individual/HUF whose accounts are to be audited or partner of a firm whose accounts are to be audited or the spouse of such partner if the provisions of section 5A apply - 31st October of the assessment year
  - Filing of return where a taxpayer (corporate/non-corporate including partners of the Firm) is required to furnish a report in Form No. 3CEB under section 92E - 30th November of the assessment year
  - In all other cases - 31st July of the assessment year
- f) Types of Income tax Return: For the purpose of income tax, there are mainly three types of returns which can be filed:
- Original return - Original return means the first return filed to report the income of a taxpayer for a taxable year or period, irrespective of whether such return is filed on a single entity basis or a combined basis.
  - Revised return - Revised return is a return which is filed u/s 139(5) as revision for the original return. It is a revision for any omission or mistake made in the filing of that original return.
  - Belated return - An assessee does not file his return within the timelines prescribed in the Income Tax act but files it after the due date is referred to as a belated return. The due date for filing a belated return is on or before the end of the relevant assessment year.
  - Rectification of ITR: If an individual notices a mistake in his submitted ITR, and it has not been processed by CPC, one can submit a revised return. One can use the rectification request service on the e-Filing portal only against an order/notice from CPC.
- g) Variants of ITR: The various variants of ITRs are ITR 1 (Sahaj), ITR 2, ITR 3, ITR 4, ITR 5, ITR 6 and ITR 7.

h) Chapter VI A deductions: Chapter VI A of Income Tax Act contains various sub-sections of section 80 that allows an assessee to claim deductions from the gross total income on account of various tax-saving investments, permitted expenditures, donations etc. Such deductions allow an assessee to considerably reduce the tax payable. The Chapter VI A of Income Tax Act contains the following sections:

- 80C: Deduction in respect of life insurance premium, deferred annuity, contributions to provident fund (PF), subscription to certain equity shares or debentures, etc. The deduction limit is INR 1.5 lakh together with section 80CCC and section 80CCD (1).
- 80CCC: Deduction in respect of contribution to certain pension funds. The deduction limit is INR 1.5 lakh together with section 80C and section 80CCD (1).
- 80CCD (1): Deduction in respect of contribution to pension scheme of Central Government - in the case of an employee, 10% of salary (Basic + DA) and in any other case, 20% of his/her gross total income in a FY will be tax free. Overall limit is INR 1.5 lakh together with 80C and 80CCC.
- 80CCD(1B): Deduction up to INR 50,000 in respect of contribution to pension scheme of Central Government (NPS).
- 80CCD (2): Deduction in respect of contribution to pension scheme of Central Government by employer. Tax benefit is given on 14% contribution by the employer, where such contribution is made by the Central Government and where contribution is made by any other employer, tax benefit is given on 10%.
- 80D: Deduction in respect of Health Insurance premium. Premium paid up to INR 25,000 is eligible for deduction for individuals, other than senior citizens. For senior citizens, the limit is INR 50,000 and overall limit u/s 80D is INR 1 lakh.
- 80DD: Deduction in respect of maintenance including medical treatment of a dependent who is a person with disability. The maximum deduction limit under this section is INR 75,000.
- 80DDB: Deduction in respect of expenditure up to INR 40,000 on medical treatment of specified disease from a neurologist, an oncologist, a urologist, a hematologist, an immunologist or such other specialist, as may be prescribed.
- 80E: Deduction in respect of interest on loan taken for higher education without any upper limit.
- 80EE: Deduction in respect of interest up to INR 50,000 on loan taken for residential house property.
- 80EEA: Deduction in respect of interest up to INR 1.5 lakh on loan taken for certain house property (on affordable housing).
- 80EEB: Deduction in respect of interest up to INR 1.5 lakh on loan taken for purchase of electric vehicle.
- 80G: Donations to certain funds, charitable institutions, etc. Depending on the nature of the donee, the limit varies from 100% of total donation, 50% of total donation or 50% of donation with a cap of 10% of gross income.
- 80GG: Deductions in respect of rent paid by non-salaried individuals who don't get HRA benefits. Deduction limit is INR 5,000 per month or 25% of total income in a year, whichever is less.
- 80GGA: Full deductions in respect of certain donations for scientific research or rural development.
- 80GGC: Full deductions in respect of donations to political party, provided such donations are non-cash donations.
- 80TTA: Deductions in respect of interest on savings bank accounts up to INR 10,000 in case of assessee other than Resident senior citizens.
- 80TTB: Deductions in respect of interest on deposits up to INR 50,000 in case of Resident senior citizens.

- 80U: Deduction in case of a person with disability. Depending on type and extent of disability maximum deduction allowed under this section is INR 1.25 lakh.

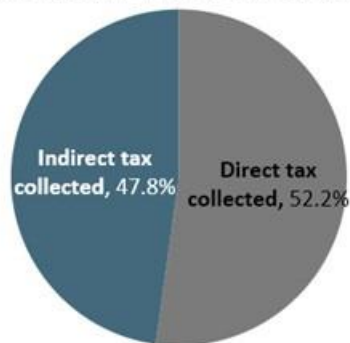
i) Interest Rate applicable for late filing of Income tax: If an assessee does not file income tax returns on or before the due date, he would be required to pay interest at the rate of 1% for every month, or part of a month, on the amount of tax remaining unpaid as per section 234A. It's important to note that one's ITR cannot be filed if one hasn't paid the taxes. The calculation of penalty will start from the date immediately after the due date which is usually 31 July of the relevant assessment year.

3) Capital Gains Tax: The capital assets of an individual refer to anything owned for personal use or for the purpose of an investment. For businesses, the capital asset is anything that can be used for more than a year and is not intended to be sold or liquidated during the course of business operation. Machinery, cars, homes, shares, bonds, art, businesses and farms are some of the examples of capital assets. The capital gains tax is imposed on the income derived from the sale of investments or assets. On the basis of the holding period, capital gain tax is categorized under short-term capital gains and long-term capital gains.

### Break-up of the Tax revenue of the Central Government

The Central Government's total tax revenue jumped 34% to INR 27.07 lakh crore in FY22. The revenue collection is led by 49% growth in Direct taxes and 20% growth in Indirect taxes. Total Direct tax collection in FY22 was INR 14.10 lakh crore and Indirect tax was INR 12.90 lakh crore. The surge in tax revenues has lifted India's tax to GDP ratio for FY22 to 11.7%, which includes a direct tax to GDP ratio at 6.1% and indirect tax to GDP ratio at 5.6%.

**Tax Revenue in FY22: INR 27.07 lakh crore**



Source: Income Tax Department, Central Board of Direct Taxes, FSIAPL

The decrease in tax collection in the two years FY20 and FY21 is due to the disruption in economic activity in the wake of Covid-19, but the rise in tax collection in FY22 is evidence of a sharp rebound and an economy that is back on track. Gross corporate taxes during FY22 were INR 8.6 lakh crore against INR 6.5 lakh crore in FY21, which shows that the new simplified tax regime with low rates and no exemptions has lived up to its promise, enhancing ease of doing business for the corporate sector, stimulating India's economy and increasing tax revenues for the Government.

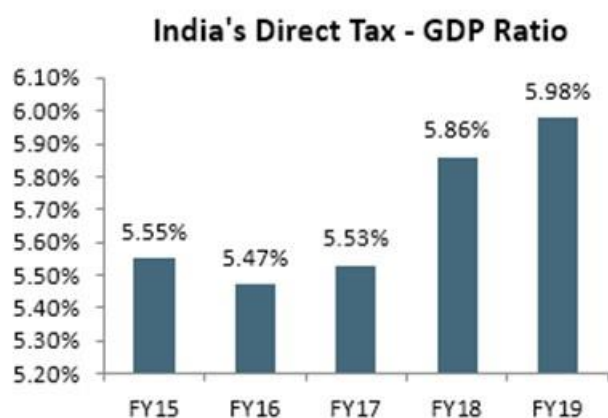
The Central Board of Taxes has provided the Direct Tax collection details till FY19. The total amount and Direct Tax collection in India and the percentage contribution of Direct taxes to Total Tax revenue in India is given in the tables below:

Financial Year	Corporate Tax	Personal Income Tax	Other Direct Tax	Total
FY15	4,28,925	2,65,772	1,095	6,95,792
FY16	4,53,228	2,87,637	1,079	7,41,945
FY17	4,84,924	3,49,503	15,286	8,49,713
FY18	5,71,202	4,19,884	10,951	10,02,037
FY19	6,63,571	4,73,121	993	11,37,685

Source: Income Tax Department, Central Board of Direct Taxes

Financial Year	Direct Taxes	Indirect Taxes	Total Taxes	Direct Tax As % Of Total Taxes
FY15	6,95,792	5,43,215	12,39,007	56.2%
FY16	7,41,945	7,11,885	14,53,830	51.0%
FY17	8,49,713	8,61,515	17,11,228	49.7%
FY18	10,02,037	9,15,256	19,17,293	52.3%
FY19	11,37,685	9,39,018	20,76,703	54.8%

Source: Income Tax Department, Central Board of Direct Taxes



Source: Income Tax Department, Central Board of Direct Taxes, FSIAPL

### Number of Taxpayers in India

A 'Taxpayer' is a person who either has filed a return of income for the relevant Assessment Year (AY) or in whose case tax has been deducted at source in the relevant Financial Year but the taxpayer has not filed the return of income. The total number of tax payers in India increased from 5.70 crores in FY15 to 8.45 crores in FY19. The details of the same are provided in the table below

### Number of Tax Payers in India

PAN Category	FY15	FY16	FY17	FY18	FY19
Association of persons	1,59,640	1,80,321	2,05,725	2,25,599	2,56,689
Body of individuals	6,986	7,433	8,650	9,246	10,418
Company	7,46,800	7,68,206	8,10,617	8,37,597	8,86,889
Firm	10,83,515	11,56,136	12,50,519	13,12,488	14,25,375
Government	334	485	747	1,308	2,556
HUF	9,99,401	10,55,205	11,19,899	11,35,677	11,87,180
Artificial Juridical Person	10,556	11,098	11,702	11,506	12,106
Local Authority	7,118	7,533	8,358	9,096	10,185
Individual	5,38,05,146	5,79,70,144	6,55,55,912	7,04,45,510	8,04,45,511
Trust	2,17,092	2,31,781	2,53,070	2,61,531	2,84,578
<b>Total</b>	<b>5,70,36,588</b>	<b>6,13,88,342</b>	<b>6,92,25,199</b>	<b>7,42,49,558</b>	<b>8,45,21,487</b>

Source: Income Tax Department, Central Board of Direct Taxes

### Number of individuals Filing Income-Tax Return (Return Filers)

The Central Board of Taxes has also released the data of the number of individuals filing Income-Tax return in India till FY19. The total number of individuals filing Income-Tax return in India has increased from 3.51 crores in FY15 to 6.33 crores in FY19. The details of the same are provided in the table below:

### Number of Income-Tax return filers in India

PAN Category	FY15	FY16	FY17	FY18	FY19
Association of persons	88,432	1,06,573	1,22,466	1,55,129	1,77,499
Body of individuals	3,586	4,205	4,257	5,327	5,771
Company	6,70,900	6,92,696	7,15,200	7,99,687	8,47,860
Firm	9,02,948	9,83,984	10,60,323	12,08,349	13,18,828
Government	26	41	68	157	273
HUF	8,91,801	9,40,830	10,07,753	11,14,038	11,66,432
Artificial Juridical Person	7,132	7,784	8,479	9,135	9,430
Local Authority	2,221	2,465	2,578	2,954	3,102
Individual	3,23,72,285	3,61,38,618	4,15,93,816	5,09,89,970	5,95,44,767
Trust	1,62,854	1,79,586	1,91,969	2,23,251	2,44,624
<b>Total</b>	<b>3,51,02,185</b>	<b>3,90,56,782</b>	<b>4,47,06,909</b>	<b>5,45,07,997</b>	<b>6,33,18,586</b>

Source: Income Tax Department, Central Board of Direct Taxes

### Number of Income-Tax Returns Filed (Including Revised Return)

The Central Board of Taxes has released the data of the number of Income-Tax returns filed in India till FY19. The total number of Income-Tax returns filed in India (including revised return) has increased from 4.04 crores in FY15 to 6.73 crores in FY19. The details of the same are provided in the table below:



### Number of Income-Tax returns filed (Including revised return)

PAN Category	FY15	FY16	FY17	FY18	FY19
Association of persons	1,06,828	1,47,665	1,62,490	2,07,247	2,05,333
Body of individuals	4,176	5,556	5,556	6,981	6,537
Company	7,53,508	7,80,470	8,03,990	9,42,834	9,64,862
Firm	9,92,134	11,10,762	11,81,369	13,93,792	14,09,744
Government	35	75	108	239	349
HUF	9,66,500	10,42,522	11,63,543	12,88,544	12,14,410
Artificial Juridical Person	8,784	10,382	10,899	11,455	10,673
Local Authority	2,631	3,394	3,483	3,959	3,746
Individual	3,74,08,937	4,29,25,794	5,22,05,021	6,45,58,970	6,32,50,002
Trust	1,88,157	2,75,810	2,64,519	2,92,047	2,92,173
<b>Total</b>	<b>4,04,31,690</b>	<b>4,63,02,430</b>	<b>5,58,00,978</b>	<b>6,87,06,068</b>	<b>6,73,57,829</b>

Source: Income Tax Department, Central Board of Direct Taxes

### Indirect Tax – An overview

An indirect tax is collected by one entity in the supply chain (usually a producer or retailer) and paid to the government, but it is passed on to the consumer as part of the purchase price of a good or service. The burden of tax payment is on end consumer as they are the ones purchasing the products. Unlike direct taxes, these are levied on materialistic goods. Indirect taxes are commonly used and imposed by the government in order to generate revenue. Central Board of Indirect Taxes and Customs is the statutory body in India which deals with the tasks of formulation of policy concerning levy and collection of Indirect taxes.

### Different Types of Indirect Tax

There were different types of indirect tax in India. Brief description of the same are as follows:

- 1) Service tax: This tax is levied by an entity in return for the service provided by them. The service tax is collected by the Government of India and deposited with them.
- 2) Excise duty: When any product or good is manufactured by a company in India, then the tax levied on those goods is called the Excise Duty. The manufacturing company pays the tax on the goods and in turn recover the amount from their customers.
- 3) Value Added Tax: Also known as VAT, this type of tax is levied on any product sold directly to customer and are movable. VAT consists of Central Sales Tax which is paid to the Government of India and State Central Sales Tax which is paid to the respective State Government.
- 4) Custom Duty: This a tax levied on the goods imported to India. Sometimes, Custom Duty is also levied on products which are exported out of India.
- 5) Stamp Duty: This is a tax levied on the transfer of any immovable property in a state of India. The State Government in whose state the property is located charges this type of tax. Stamp tax is also applicable on all legal documents too.
- 6) Entertainment Tax: This tax is charged by the State Government and is applicable on any products or transactions related to entertainment. Purchasing of any video games, movie shows, sports activities, arcades, amusement parks, etc. are some of the products on which Entertainment Tax is charged.
- 7) Securities Transaction Tax: This tax is levied during the trading of securities through Indian Stock Exchange.

However, after the implementation of Goods and Services Tax, few indirect taxes were bundled into one singular tax for the citizens of India.

### Features of Indirect Tax

Here are the key features of indirect taxes:

- **Tax liability:** The service provider or seller pays indirect taxes to the government, and the liability is transferred to the consumer.
- **Nature:** Indirect taxes were initially regressive in nature, but thanks to the implementation of the Goods and Services Tax, they are now progressive.
- **Saving and investment:** Indirect taxes are generally growth-oriented considering the fact that they encourage consumers to save and invest.
- **Evasion:** It is difficult to evade indirect taxes because they are now implemented directly through products and services.

### **Evolution of Goods and Services Tax in India**

Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. It is a comprehensive, multistage, destination-based tax: comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but is meant to be refunded to all parties in the various stages of production other than the final consumer and as a destination-based tax, it is collected from point of consumption and not point of origin like previous taxes.

The tax came into effect from 1 July 2017 through the implementation of the One Hundred and First Amendment of the Constitution of India by the Indian government. The GST replaced existing multiple taxes levied by the central and state governments. The tax rates, rules and regulations are governed by the GST Council which consists of the Finance Ministers of the Central Government and all the states.

Goods and services are divided into five different tax slabs for collection of tax: 0%, 5%, 12%, 18% and 28%. However, petroleum products, alcoholic drinks, and electricity are not taxed under GST and instead are taxed separately by the individual state governments, as per the previous tax system. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 22% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. Pre-GST, the statutory tax rate for most goods was about 26.5%, Post-GST, most goods are expected to be in the 18% tax range.

### **Components of GST**

There are three taxes applicable under this system: CGST, SGST & IGST.

- **CGST:** It is the tax collected by the Central Government on an intra-state sale (e.g., a transaction happening within Maharashtra)
- **SGST:** It is the tax collected by the state government on an intra-state sale (e.g., a transaction happening within Maharashtra)
- **IGST:** It is a tax collected by the Central Government for an inter-state sale (e.g., Maharashtra to Gujarat)
- **GST would replace the following taxes currently levied and collected by the Centre:**
  - a) Central Excise Duty;
  - b) Duties of Excise (Medicinal and Toilet Preparations);
  - c) Additional Duties of Excise (Goods of Special Importance);
  - d) Additional Duties of Excise (Textiles and Textile Products);
  - e) Additional Duties of Customs (commonly known as CVD);
  - f) Special Additional Duty of Customs (SAD);
  - g) Service Tax and;
  - h) Cesses and surcharge in so far as they relate to supply of goods and services.
- **State taxes that would be subsumed within the GST are:**
  - a) State VAT;

- b) Central Sates Tax;
  - c) Purchase Tax;
  - d) Luxury Tax;
  - e) Entry Tax (All forms);
  - f) Entertainment Tax and Amusement Tax (except those levied by the local bodies);
  - g) Taxes on advertisements;
  - h) Taxes on lotteries, betting and gambling and;
  - i) State cesses and surcharges in so far as they relate to supply of goods and services.
- GST would apply on all goods and services except alcohol for human consumption.
  - GST on five specified petroleum products (crude, petrol, diesel, ATF & natural gas) would be applicable from a date to be recommended by the GSTC.
  - Tobacco and tobacco products would be subject to GST. In addition, the Centre would have the power to levy Central Excise duty on these products.
  - A common threshold exemption would apply to both CGST and SGST. Tax payers with an annual turnover not exceeding INR 40 lakh in case of goods (INR 20 Lakh for special category States) and INR 20 lakhs in case of services would be exempt from GST. For small taxpayers with an aggregate turnover in a financial year upto INR 50 lakhs, a composition scheme is available. Under the scheme, a taxpayer shall pay tax as a percentage of his turnover in a state during the year without benefit of input tax credit. This scheme will be optional.
  - The list of exempted goods and services would be kept to a minimum and it would be harmonized for the Centre and the States as well as across states as far as possible.
  - Exports would be zero-rated supplies. Thus, goods or services that are exported would not suffer input taxes or taxes on finished products.
  - Credit of CGST paid on inputs may be used only for paying CGST on the output and the credit of SGST paid on inputs may be used only for paying SGST. Input Tax Credit (ITC) of CGST cannot be used for payment of SGST and vice versa. In other words, the two streams of Input Tax Credit (ITC) cannot be cross-utilized, except in specified circumstances of inter-state supplies for payment of IGST.
  - The laws, regulations and procedures for levy and collection of CGST and SGST would be harmonized to the extent possible.
  - The whole GST system will be backed by a robust IT system. In this regard, Goods and Services Tax Network (GSTN) has been set up by the Government. It will provide front end services and will also develop back end IT modules for states who opted for the same.

#### **Number of registered GST payers in India**

As per GST Council, there are 1.36 crores of registered GST payers in India as on 31st March 2022. State wise registration details of these GST tax payers as on 31st March 2022 is as given in the table below:

State Name	Normal Taxpayers	Composition Taxpayers	Input Service Distributor	Casual Taxpayers	Tax Collector at source	Tax Deductor at source	Non Resident Taxpayers	OIDAR	UIN Holders	Total GST Registration	% Share
Jammu and Kashmir	1,06,122	8,364	10	1	141	2,471	0	0	10	1,17,119	0.9%
Himachal Pradesh	98,306	17,839	33	3	197	1,530	0	0	25	1,17,933	0.9%
Punjab	3,38,545	37,305	84	38	426	3,287	0	0	15	3,79,700	2.8%
Chandigarh	27,635	1,605	83	38	198	753	0	0	3	30,315	0.2%
Uttarakhand	1,53,396	34,269	44	8	328	3,455	0	0	11	1,91,511	1.4%
Haryana	4,76,163	17,444	649	18	887	2,443	4	0	31	4,97,639	3.6%
Delhi	7,44,481	16,312	1,042	114	1,320	2,797	4	0	316	7,66,386	5.6%
Rajasthan	6,58,621	1,37,002	115	18	656	19,365	0	0	85	8,15,862	6.0%
Uttar Pradesh	13,34,972	3,57,972	443	28	1,249	22,850	0	0	234	17,17,748	12.6%
Bihar	4,73,210	1,09,478	105	10	357	6,765	0	0	129	5,90,054	4.3%
Sikkim	9,141	795	2	0	82	347	0	0	4	10,371	0.1%
Arunachal Pradesh	14,082	2,294	4	0	78	1,326	0	0	5	17,789	0.1%
Nagaland	7,476	2,061	4	0	86	308	0	0	7	9,942	0.1%
Manipur	11,313	1,478	12	0	100	565	0	0	2	13,470	0.1%
Mizoram	7,415	169	4	0	67	290	0	0	2	7,947	0.1%
Tripura	26,538	2,859	13	0	106	1,142	0	0	5	30,663	0.2%
Meghalaya	27,125	2,232	6	0	92	539	0	0	5	29,999	0.2%
Assam	1,76,504	36,643	59	21	257	3,281	0	0	33	2,16,798	1.6%
West Bengal	6,26,835	58,931	505	27	696	11,422	0	0	188	6,98,604	5.1%
Jharkhand	1,67,278	17,717	37	2	275	3,372	0	0	40	1,88,721	1.4%
Odisha	2,71,662	28,947	57	6	274	3,923	0	0	43	3,04,912	2.2%
Chattisgarh	1,31,404	34,198	25	45	243	3,261	0	0	23	1,69,199	1.2%
Madhya Pradesh	4,14,902	53,097	122	16	529	12,952	1	0	97	4,81,716	3.5%
Gujarat	9,94,138	97,254	275	44	833	18,711	2	0	67	11,11,324	8.2%
Daman and Diu	0	0	0	0	0	0	0	0	1	1	0.0%
Dadra and Nagar Haveli	14,649	626	3	1	136	256	0	0	0	15,671	0.1%
Maharashtra	14,83,862	1,22,580	1,788	85	1,368	43,351	12	0	286	16,53,332	12.1%
Karnataka	8,43,629	1,10,228	457	117	1,273	17,376	3	0	84	9,73,167	7.1%
Goa	37,708	5,051	78	7	194	729	1	0	13	43,781	0.3%
Lakshadweep	229	20	0	0	51	29	0	0	0	329	0.0%
Kerala	3,39,315	51,043	91	27	728	7,290	0	0	35	3,98,529	2.9%
Tamil Nadu	9,93,538	74,868	490	60	1,085	12,405	3	0	121	10,82,570	7.9%
Puducherry	20,359	2,481	6	2	151	365	0	0	3	23,367	0.2%
Andaman and Nicobar Islands	4,199	837	4	0	64	320	0	0	0	5,418	0.0%
Telangana	4,12,643	60,428	340	126	634	17,505	3	0	57	4,91,736	3.6%
Andhra Pradesh	3,08,159	1,11,334	54	53	447	3,089	0	0	292	4,23,428	3.1%
Ladakh	5,576	564	1	0	30	341	0	0	0	6,512	0.0%
Other Territory	88	0	0	0	0	1	0	0	0	89	0.0%
Center Jurisdiction	0	0	0	0	0	0	0	352	0	352	0.0%
<b>Grand Total</b>	<b>1,17,61,212</b>	<b>16,16,325</b>	<b>7,045</b>	<b>915</b>	<b>15,638</b>	<b>2,30,206</b>	<b>33</b>	<b>352</b>	<b>2,272</b>	<b>1,36,33,998</b>	<b>100.0%</b>

Source: GST Council of India

## GST returns filing: GSTR – 1 and GSTR 3B

GSTR-1 is a monthly or quarterly return that should be filed by every registered GST taxpayer. It contains details of all outward supplies i.e sales. The due dates for GSTR-1 are based on your aggregate turnover. Businesses with sales of up to INR 5 crore have an option to file quarterly returns under the quarterly returns monthly payment scheme and are due by the 13th of the month following the relevant quarter. Whereas, those taxpayers who do not opt for the QRMP scheme or have a total turnover above INR 5 crore must file the return every month on or before the 11th of the next month. Every registered person is required to file GSTR-1 irrespective of whether there are any transactions during the period or not. For nil GSTR-1 filers, there is a facility to file through an SMS that began from the 1st week of July 2020.

GSTR-3B is a self-declared summary GST return filed every month Taxpayers need to report the summary figures of sales, Input Tax Credit claimed, and net tax payable in GSTR-3B. A separate GSTR-3B must be filed for every GSTIN.

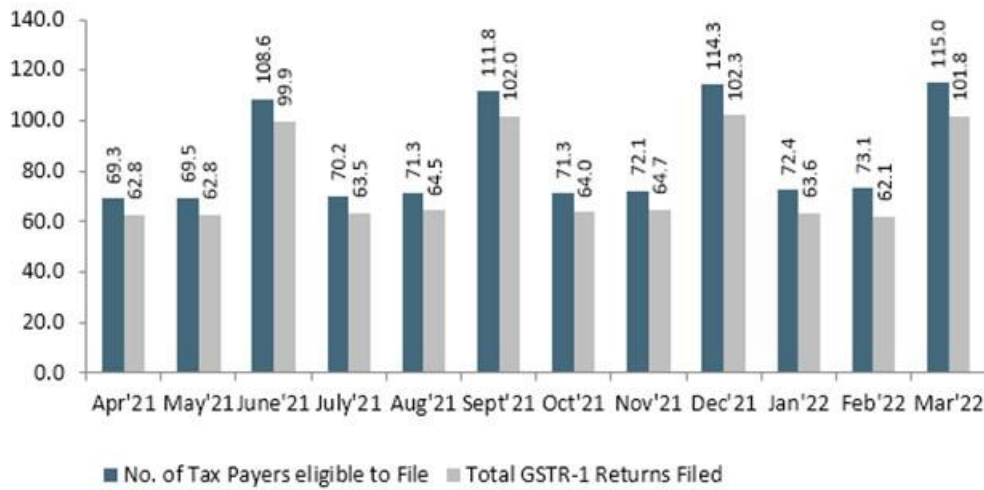
## Number of GSTR-1 returns filed in India during FY18-FY22

During FY18, 503.6 lakh tax payers were eligible to file GSTR-1 returns; out of which only 451.4 lakh tax payers actually filed the return. The total number of GST tax payers have increased substantially from FY18 to FY22. During FY22, there were 1,018.8 lakh tax payers eligible to file GSTR-1 returns; out of which only 914.0 lakh tax payers actually filed the return. Month wise GSTR-1 return filing trend during FY22 is shown in the chart below.

Month	No. of Tax Payers eligible to File (no. in lakhs)	Total GSTR-1 Returns Filed (no. in lakhs)
FY18	503.6	451.4
FY19	804.7	621.6
FY20	865.9	679.4
FY21	1040.6	745.9
FY22	1,018.8	914.0

Source: GST Council of India

**GSTR-1 return filing trend in FY22 (no. in lakhs)**



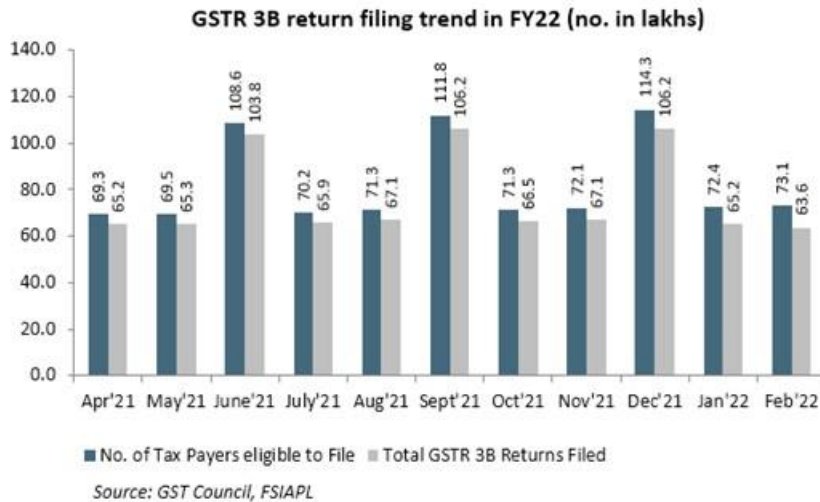
Source: GST Council, FSIAPL

### Number of GSTR-3B returns filed in India during FY18-FY22

During FY18, 781.2 lakh tax payers were eligible to file GSTR 3B returns; out of which only 744.0 lakh tax payers actually filed the return. During FY22, there were 974.0 lakh tax payers eligible to file GSTR 3B returns; out of which only 908.2 lakh tax payers actually filed the return. Month wise GSTR 3B return filing trend during FY22 is shown in the chart below.

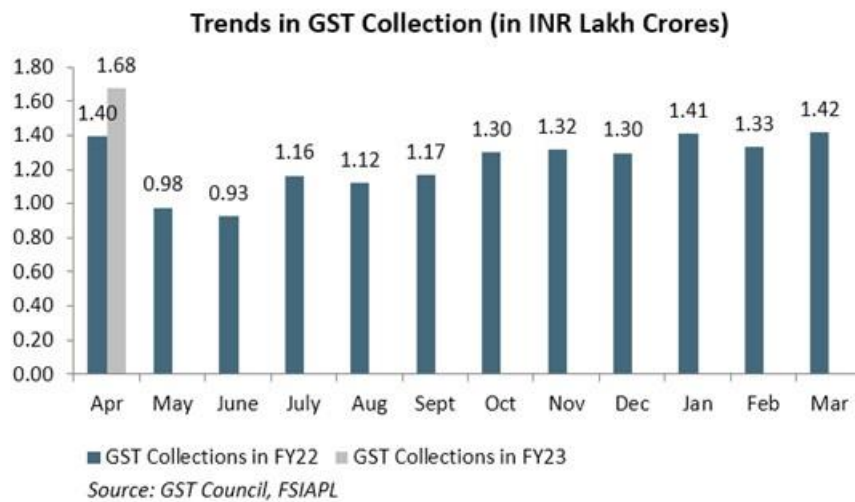
Month	No. of Tax Payers eligible to File (no. in lakhs)	Total GSTR 3B Returns Filed (no. in lakhs)
FY18	781.2	744.0
FY19	1150.0	1024.9
FY20	1247.4	1114.2
FY21	1192.0	1092.4
FY22	974.0	908.2

Source: GST Council of India



### GST collections in April 2022 touched all-time high of INR 1.68 lakh crore

GST collections in April 2022 crossed INR 1.68 lakh crores, up 20% from the year earlier and INR 25,000 crore more than the previous highest of INR 1.42 lakh crore in March this year.



Of the total, Central GST amounted to INR 33,159 crore, state GST was INR 41,793 crore, integrated GST was INR 81,939 crore while INR 36,705 crore was collected on import of goods. Cess collection was INR 10,649 crore, including INR 857 crore on import of goods. The government has settled INR 33,423 crore toward central GST and INR 26,962 crore toward state GST from the integrated GST.

Total number of e-waybills generated in the month of March 2022 was 7.7 crore, which is 13% higher than 6.8 crore e-way bills generated in the month of February 2022, which reflects recovery of business activity at faster pace. The highest-ever GST collection in a single day took place on 20th April 2022 – INR 57,847 crore through 958,000 transactions. During the month, revenues from import of goods was 30% higher and the revenues from domestic transaction (including import of services) are 17% higher than the revenues from these sources during the same month last year.

For the March quarter, the average monthly GST collection stood at INR 1.38 lakh crore. The impact of the continuing focus on ensuring timely compliance by all GST registrants by restricting the input tax credits of the buyers together with enhanced analytics to detect evasion has also contributed significantly to the all-time high collections.

During April 2022, 1.06 crore GST returns in GSTR-3B were filed, of which 97 lakhs pertained to the month of March 2022, as compared to total 92 lakh returns filed during April 2021. Similarly, during April 2022, 1.05 crore statements of invoices issued in GSTR-1 were filed. Till end of the month, the filing percentage for GSTR-3B in April 2022 was 84.7% as compared to 78.3% in April 2021 and the filing percentage for GSTR-1 in April 2022 was 83.11% as compared to 73.9% in April 2021. This shows clear improvement in the compliance behaviour, which has been a result of various measures taken by the tax administration to nudge taxpayers to file returns timely, to making compliance easier and smoother and strict enforcement action taken against errant taxpayers identified based on data analytics and artificial intelligence.

## **HISTORY OF E-FILING OF INCOME TAX IN INDIA**

E- File is the term for electronic filing, sending one's income tax return form tax software via the Internet of the IRS or state tax authority. Two benefits of filing taxes electronically over mailing in the return are that one will receive a tax refund sooner and one's tax data goes directly to IRS computers with a greatly reduced chance of human keying or document scanning errors. E-filed returns cost 20 times lesser than to process which compared to a paper return that saves tax payers a lot of money.

### **History of E-Filing of Income Tax in India**

E- Filing is the process of filling one's tax documents through internet with the help of softwares or by registering oneself to the income tax website. In India, e-filing of income tax was introduced in September, 2004, initially on a voluntary usage basis for all categories of income tax assesses. But from July, 2006, it was made mandatory for all corporate firms to e-file their income tax returns. Taking this process further, from assessment year 2007 to 2008, e-filing of income tax return was made mandatory for all companies and from 2013 individuals having more than INR 5 lakh income are mandate for filling income tax online.

### **Features of E-filing**

E-filing has the following features:

- Facility to download Pre-filled XML File - (after Login feature).
- PAN Details at one place (Name, D.O.B, Status, Gender, Address) - (after Login feature)
- Request for Intimation - Earlier there was no option to download if mail not received. (Submit request for resend print of Intimation to ITR/PAN Address/New Address or via Email) – (After Login Feature)
- For New Users, Resend Activation Link Feature - Helpful if link not received or mail deleted earlier
- User Password can be changed now with Digital Signature Verification also
- Feedback Option for User
- User can register as a Legal Heir to do e-Filing on behalf of the deceased. This is a new feature provided for Individual user.
- Quick e-File for ITR-1 (No need to download any utility, No requirement of any software. Just fill and submit like an online application form)
- Mobile Services can be availed using the URL - <https://incometaxindiaefiling.gov.in/mobile/>
- Forms to be authorized by CA with Digital Signature and XML to be uploaded in e-filing portal. (3CA, 3CB, 3CD, 3CEB, FORM 29B).
- Tax Professional (CA for now) is a new user on this portal. They can e-File Income Tax audit report Forms (other than Income Tax Returns)
- There is dedicated call centre and help desk to deal with any query or grievance related to e-filing

### **For whom e-filing of Income Tax is mandatory?**

CBDT has vide notification No. 34/2013 dated 01.05.2013 has made it mandatory for the following category of the Assesses to file their income tax return online from A.Y. 2013-14

- An individual or a Hindu undivided family, being a resident, having assets (including financial interest in any entity) located outside India or signing authority in any account located outside India and required to furnish the return in Form ITR-2 or ITR-3 or ITR-4, as the case may be
- Every person claiming tax relief under Section 90, 90A or 91 shall file return in electronic mode
- Those who are required to get their account under Section 44AB
- A firm required to furnish the return in Form ITR-5 or an individual or Hindu Undivided Family (HUF) required to furnish the return in Form ITR-4 and to whom provisions of section 44AB are applicable.
- A company required to furnish the return in Form ITR-6.

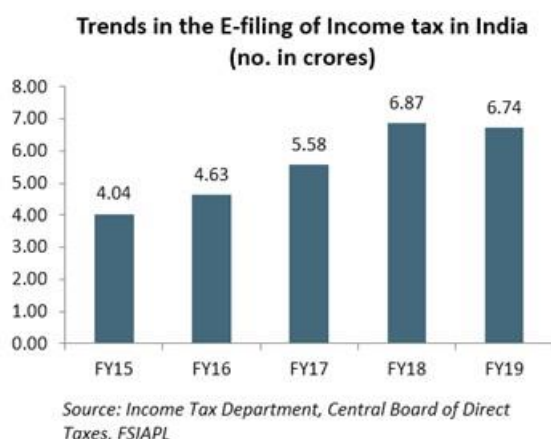
### **Advantages of E-filing**

- Convenience – Returns can be filed at any time (day or night)
- Fast refunds – It allows taxpayers receiving refunds to get them sooner
- Taxpayers get instant acknowledgement of receipt
- Value added services like viewing Form 26AS, tracking of refunds, email, SMS alerts regarding status of processing and refunds
- Certainty of delivery and quick confirmation – provides immediate confirmation from tax administration that returns have been received
- Taxpayers can correct their mistakes or make and save changes in their ITR many times before the final submission of ITR form
- Eliminates error notices from tax administrations caused by data entry errors
- Increment in freelance job opportunities as Tax Consultant and TRPs etc
- Reduction in Documents handling and storage space.
- Reduced operating costs for tax administration by reducing the cost of handling paper returns and eliminating unnecessary staff.

### **E-filing of Income tax in India**

Filing of return electronically is easy and user friendly as user has to follow step by step instructions. Also, with the latest technology for internet security in use; it is very safe to e - file. The Central Board of Taxes has released the data of the number of E-filing of Income Tax returns in India till FY19. The total number of Income-Tax returns filed (including revised returns) electronically in India has increased from 4.04 crores in FY15 to 6.73 crores in FY19. The alongside chart scenario clearly reflects the steady and continuous growth of E-filing in India.





The break-up of the category of E-filers (including revised returns) from FY15-FY19 are provided in the table below:

PAN Category	FY15	FY16	FY17	FY18	FY19
Association of persons	1,06,828	1,47,665	1,62,490	2,07,247	2,05,333
Body of individuals	4,176	5,556	5,556	6,981	6,537
Company	7,53,508	7,80,470	8,03,990	9,42,834	9,64,862
Firm	9,92,134	11,10,762	11,81,369	13,93,792	14,09,744
Government	35	75	108	239	349
HUF	9,66,500	10,42,522	11,63,543	12,88,544	12,14,410
Artificial Juridical Person	8,784	10,382	10,899	11,455	10,673
Local Authority	2,631	3,394	3,483	3,959	3,746
Individual	3,74,08,937	4,29,25,794	5,22,05,021	6,45,58,970	6,32,50,002
Trust	1,88,157	2,75,810	2,64,519	2,92,047	2,92,173
<b>Total</b>	<b>4,04,31,690</b>	<b>4,63,02,430</b>	<b>5,58,00,978</b>	<b>6,87,06,068</b>	<b>6,73,57,829</b>

Source: Income Tax Department, Central Board of Direct Taxes

### Emergence of private websites for E-filing of income tax returns

Many private websites have created a Form 16 based software, where the user has to just upload Form 16 and all the data from the PDF is auto populated at appropriate places on the software. After this, the user has to just double check the data, enter any other income received, pay taxes and file return. Some private websites have an interview-based e-filing, where the user answers simple questions and the private website will file the user's return.

On the IT department's platform, the ITR forms are available in two alternative software formats - Excel and Java. Also, some excel functions have to be enabled before filing up the ITR form in excel format because validation and other buttons of the excel file will work only if 'Macros' and 'ActiveX' function of the Excel workbook is enabled. Whereas the private websites come with an easy-to-understand cloud-based user interface, which eliminates the need to download any software. Most private websites aid and also have enabled technological support to help upload IT returns of those who are unable to upload on their own.

### Advisory automation unexplored yet by existing tax compliance platforms in India

Global scenario: While some countries are still catching up with the technology spurt in the taxation domain, others are quite ahead in terms of using and adopting technology in tax-related functions. Some successful global examples include:

- The Making Tax Digital (MTD) drive of the UK government that has changed the face of UK VAT completely. The system requires businesses to keep digital VAT records and furnish returns using MTD compatible software. Phase 2 of MTD was rolled out on April 1 2021, which shall ensure a seamless digital journey for VAT registered businesses

- Spain has launched a digital VAT reporting system and expanded its monthly VAT filing requirements to include the digital submission of all invoices, customs documents and accounting documents
- The Gulf Cooperation Council (GCC) VAT is the latest addition to the list of nations that have made tax digital. The use of state-of-the-art software for VAT compliances by the government has forced businesses to accelerate digital taxation in the region
- Poland, following the footsteps of Italy, plans to launch e-invoicing in 2021. A draft law defining e-invoicing or e-faktura (as known in Polish) has been placed in the public domain. It is expected that the proposed system will begin from October 2021

#### Key Digitisation initiatives by Income Tax Department of India

Few of the digital initiatives taken by the Indian Tax department over the years are enlisted below:

- Setting up of Tax Information Network
- Taxnet project for networking of all its offices across the country
- Setting up of Centralized Processing Centre at Bengaluru
- Setting up of Centralized Processing Cell (TDS) at Vaishali
- E-filing of returns
- Refund Banker Scheme to improve channel delivery of refunds
- Comprehensive Website that consolidated all e-services
- E-Payment of taxes
- E-filing and E-Processing of TDS statements
- E-view of tax credits
- E-Processing of Income Tax Returns
- E-Matching of tax Credits
- E-tracking of processing of the Income Tax Returns
- E-Delivery and E-tracking of Refunds

Areas within tax functions which typically need tax automation in India are:

- Compilation of tax compliance data from multiple sources (e.g. multiple ERPs)
- Tax data analytics to identify potential tax risk areas and plus revenue leakages
- Voluminous repetitive tasks that are done manually
- Automated reconciliation of voluminous transaction tax data (combined with a managed services model)
- Automate TDS reconciliation and reporting for clause 34(a) of tax audit report under Indian tax regulation
- Enablement of TCS related reports
- GST relevant validations within ERP and using Robotic Process Automation – e.g. e-Invoice validity check, vendor non-compliance, input credit verification etc.

- GST analytics based on ERP and Application Service Provider (ASP) data

India has been on top of technological developments and private firms have been responsible for bringing the best in the class tax technology solutions to the country. Businesses have also been quick to adapt to these new and better solutions. COVID-19 has only further accelerated this adaptation and has driven businesses to rely more on technology and digitalisation. With the increasing digitalisation of tax administration in India as well as the need for corporates to be able to govern their tax function more efficiently as well as minimise risk, enablement of technology within the tax function has become a matter of urgency. Tax technology could prove to be the foundation of a sustainable tax compliance space and give competitive advantages to organisations.

## TAX ADVISORY MARKET SIZE IN INDIA

According to Central Board of Direct Taxes' press release dated 16th March 2022; 6.63 crore Income Tax Returns (ITRs) were filed for AY 2021-22. Out of the 6.63 crore ITRs filed for AY 2021-22, 46% are ITR-1 (3.03 crore), 9% are ITR-2 (57.6 lakh), 15% are ITR-3 (1.02 crore), 26% are ITR-4 (1.75 crore), 2% are ITR-5 (15.1 lakh), ITR-6 (9.3 lakh) and ITR-7 (2.18 lakh).

FSIAPL estimates the total Tax Advisory market size of non-corporate tax payers at INR 61,095 crores for AY 2021-22. The segment wise break-up of each tax payer's type is given in the table below.

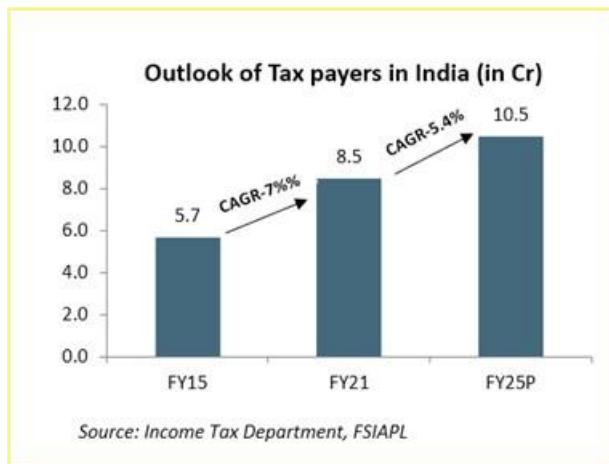
Type of Tax Payer	Number of Tax Payers (in crore)	Average spend on tax advisory (in INR '000s)	Market Size (in INR crore)
Professionals and business with presumptive income (ITR-4)	1.75	10.0	17,500
Non corporate SME businesses (ITR-3)	1.02	10.0	10,200
Individuals with incidence of Capital Gain (ITR-2)	0.57	5.0	2,850
Salaried Individuals (ITR-1)	3.03	1.5	4,545
GST dealer (Non Corporate)	1.30	20.0	26,000
<b>Total market size (amount in INR crore)</b>			<b>61,095</b>

Source: Central Board of Direct Taxes, FSIAPL

## Outlook Of E-Filing Of Income Tax Returns And Gst Returns Market In India

### Consistently increasing number of tax payers due to formalisation of economy and financial deepening

The number of tax payers in India have increased from 5.7 crores in FY15 to 8.5 crores individuals (constituting 6.1% of the total population of 138 crores) in FY21. The number of tax payers in India is expected to cross 10.5 crores by FY25. Among the various factors which would spurt the growth - improved profitability of the corporates, formalisation of the economy and improved compliance due to tax reforms are noteworthy.



**Factors driving increase in Income Tax return filing:** India's per Capital GNI has increased from INR 98,629 in FY21 to INR 1,06,217 in FY22; while India's per Capital NNI has increased from INR 85,110 in FY21 to INR 91,723 in FY22. India created 88 lakh jobs in April 2022 in one of the biggest expansions in labour market post Covid-19. According to CMIE, India's working labour force swelled to 43.72 crore as on April 2022. Also, the average salary in India is also expected to increase in the coming years. The high-tech sector is expected to see the highest salary increase, followed by the consumer products, retail sector, manufacturing and consultancy. Large number of students are also entering the formal workforce every year. These factors drive the growth in the total income in India indirectly increasing the income tax return filing in the coming years.

**Factors driving increase in GST return filing:** A combination of demonetisation and implementation of GST set the pace for cashless transactions in business and reduced the cash intensity of the economy. These reforms triggered a process of transformation of the economy from one that is typically dominated by cash to one in which the formal finance or banks and payment banks have a larger role. Though these laid the foundations, it was the Covid-19 pandemic that provided a further opportunity to accelerate the process of digitalisation. Formalisation got a boost during this time through greater proliferation of digital transactions. The provisions under the GST discourage registered businesses to deal with unregistered entities in the informal sector. Consequently, the informal sector is encouraged to get itself registered to remain in the supply chain. This led to an increase in the formal economy as measured by output produced by firms in the tax net.

### **Taxpayers base increased after Demonetization**

The demonetization of high value currency notes in November 2016 resulted in widening of taxpayers' base and rise in household savings. It was found that there was a 0.8% monthly trend increase in new tax filers (annual growth of nearly 10%). After November 2016, 10.1 million filers were added compared with an average of 6.2 million in the preceding six years. Given that direct taxes both for individuals and businesses are levied as a percentage of their annual income, it is reasonable to expect taxes collected to march in step with GDP growth. This is what tax buoyancy measures, by dividing the growth in tax collections for each year by the nominal GDP growth. Applying this measure to India shows that tax buoyancy has indeed picked up post-demonetisation. In the seven years from FY08 to FY14, direct tax buoyancy hovered between 0.5 and 1.1 times, averaging out at 1 for the period. After hovering at 1.0 until then, in FY15 and FY16, direct tax buoyancy unaccountably slumped to 0.8 times and 0.6 times. Direct tax buoyancy doubled from 0.6 times in FY16 to 1.1 times in FY17 and accelerated further to 1.6 times in FY18.

### **Urbanization of rural economy**

India is predominantly a rural country. As per the 2011 Census, 68.8% of country's population and 72.4% of workforce resided in rural areas. However, steady transition to urbanization over the years is leading to the decline in the rural share in population, workforce and GDP of the country. Between 2001 and 2011, India's urban population increased by 31.8% as compared to 12.18% increase in the rural population. Over 50% of the increase in urban population during this period was attributed to the rural-urban migration and re-classification of rural settlements into urban. Contribution of agriculture in rural output gradually declined. This is considered a desirable change for the progress in economic development. Urbanization of rural economy will boost the income of the individuals and bring more people under the income tax net of the economy.

## **Government initiatives to bring more non-filers into the tax net**

Government of India is taking various steps to increase the number of people under the tax net. Government has implemented the non-filers monitoring system (NMS) which assimilates and analyses in-house information as well as transactional data received from third-parties to identify such persons/entities who have undertaken high value financial transactions with potential tax liabilities but have not filed their returns.

The Income Tax department also seeks to bring more non-filers into the tax net by formulating region-specific strategies by the field authorities for identifying potential non-filers, holding of outreach programmes to encourage voluntary compliance and extensive use of mass media for creating awareness, issuing statutory notices to enforce compliance, simplification in income-tax returns and filing process to encourage voluntary filing.

## **Consistently increasing compliance burden for existing tax advisory ecosystem**

The Indian government is pushing for e-invoicing, similar to the process adopted by 60 other countries. The e-invoicing process mandates that every tax invoice should be registered or validated through a government-controlled IT system. The chief objective is to keep track of every transaction that a company enters, reducing the chances of potential fraud and enhancing complete transparency. Tax technology is a subset of e-invoicing since computing taxes will be automated when generating the invoice. It'll also be necessary to match the taxes with these government-registered e-invoices.

Aimed at simplifying the tax compliance landscape, the tax administration has introduced a flurry of transformational initiatives. They include the following

- E-way bill
- E-invoicing
- Launch of faceless assessments
- Introduction of TDS and TCS on transactions involving goods
- Incremental tax KYC requirements
- New-income tax portal
- New avatar of Form 26AS - AIS and TIS
- Input tax credit reconciliation
- Communication between taxpayers through GST common portal
- Introduction of digital process under Import of Goods at Concessional Rate of Duty Rules, 2017
- Proposed IT-driven customs administration of SEZs
- Use of analytics in tax
- Expansion of reportable matter

## **Patterned aspects of tax advisory and its automation potential**

The tax function in an organisation is transforming, from being just a compliance role that essentially filed returns, to evolving into the value-adding role of supporting businesses and having a say in the formulation of corporate strategies. Commonality of data between different filings helps in integrating compliance solutions. A data pool can be reprocessed through smart technological tools and packaged into the right form as required by different tax compliances. Automation in tax frees up bandwidth of tax teams to focus on strategic activities instead of mundane data crunching, while, eliminating the scope of human errors. It cuts down compliance risk by improving efficiency, turnaround time and accuracy.

In terms of taxation, the TDS portion of the payroll process, the professional taxes, and the TDS for consultants are often interlinked. At the same time, the GST for purchasing assets and GST collected while making sales are interlinked. Automated tax procedures help seamlessly integrate these cycles to create an efficient internal system.

The introduction of GST has elevated automation and technology to a higher level altogether on the indirect tax front. The administration is making use of analytics majorly - (i) the Central Board of Direct Taxes (CBDT) launched Project Insight under which an integrated data warehousing and business intelligence platform is being rolled out, and it includes the Income Tax Transaction Analysis Centre (INTRAC); (ii) the Central Board of Indirect Taxes and Customs (CBIC) set up the Directorate General of Analytics and Risk Management (DGARM) in 2017 to further the automation foray. Even GST transactions are being linked to the income tax portals to ensure a complete and accurate match of each transaction between what was filed in the GST returns and what is filed in the Income Tax Returns.

### **Benefits of advisory automation in tax compliance in B2C**

Guidance in Tax planning and return filing: Most tax advisory websites provide guidance in tax planning and ITR filing. E-filing services are provided by merely uploading of Form-16 or answering simple questions. All the data from the PDF/questionnaire is auto populated at appropriate places on the internal software. The user has to just double check the data, enter any other income received, pay taxes and file return.

Faster and accurate tax filing: Tax advisory websites have AI enabled systems and experienced professional managing the software. Hence, there is thorough check done when income is categorised under each head/field. They provide assistance and also have enabled technological support to help upload IT returns of those who are unable to upload on their own. This enables faster and accurate tax filing.

Provides Tax advisory solutions: Many tax advisory websites provide post return filing support and also suggests better tax saving options to the user. This becomes useful for individuals with limited knowledge about tax saving solutions.

Provides Tax notice solutions: Income Tax Department issues notices on non-compliance with tax law. The reason can be error in filing original return, non or short payment of tax, non-filing or late filing of return among others. Many private tax advisory websites will help the user understand and validate the issue raised by department and respond to notices properly.

### **Future of Faceless Assessment of Income Tax in India**

The Central Government introduced the Faceless Assessment Scheme to provide greater transparency, efficiency and accountability in Income Tax assessments. National e-Assessment Centre, Delhi will be the only governing authority for the faceless IT assessment system. The regional centres of the authority will be in Mumbai, Kolkata, Hyderabad, Chennai, Pune, Ahmedabad and Bengaluru. All processes of tax compliances from rectification to scrutiny assessments have been digitalised. Responses to the notices along with submission of supporting documents can be done online. As the selection of cases is computer assisted, the issues of assessment or query have specific patterns and this makes automation of responses very much possible. There is no physical interaction between tax officials and tax payers.

### **Annual Information Statement (AIS) and Taxpayer Information Summary (TIS)**

Annual Information Statement (AIS) is an extensive view of information for a taxpayer displayed in Form 26AS. It also accepts feedback from the taxpayers on the information displayed in AIS. AIS shows both reported value (value reported by the reporting entities) and modified value (i.e. the value after considering taxpayer's feedback) for each type of information, i.e. TDS, SFT, other information, etc.

Salient Features of AIS are:

- It includes new information – interest, dividend, securities transactions, mutual fund transactions, foreign remittance information, etc.
- Summary of AIS information in the form of Taxpayer Information Summary (TIS) for ease of filing return (pre-filing will be enabled in a phased manner).

- Taxpayers will be able to submit online feedback on AIS’s information and download information in PDF, JSON, and CSV file formats.
- AIS Utility will enable taxpayers to view AIS and upload feedback in an offline manner.

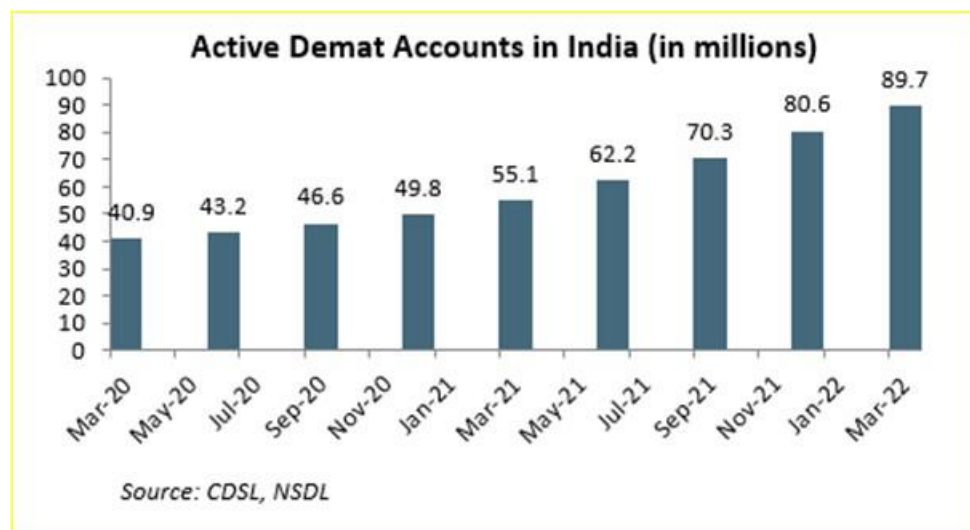
TIS is a category-wise information summary for a taxpayer. The information collated is transactional data. Tax is levied on profit or income from those transactions. Therefore, determination of income and corresponding tax implication from the collated pre-filled data would be critical task for which assistance of tax advisors would be needed. Tax advisory solution would be needed to determine taxable income from AIS and TIS mapped transactions. As data is already collated by department in digital form, online tax advice is quite possible rather more feasible.

### Assistance for selection of Old or New Tax regime

Government of India had introduced a new tax regime. The new tax regime is different in two ways from the old one. Firstly, it has more slabs with lower tax rates. And secondly, all the major exemptions and deductions available to taxpayers in the existing (old) tax regime are not allowed if the new tax regime is chosen. Choosing between the tax regimes might depend upon various factors such as current income level, income composition i.e. sources of income, investment appetite & saving habits among other factors. The individuals will have to work out their tax liability under the old and new tax regimes before deciding which one is more beneficial. In given situation, which tax regime to be followed, depends upon precise data analysis. There is enough scope for tax advisory solution in helping individuals select old or new tax regime, since individuals sometime find it difficult to choose it themselves.

### Increase in Demat Account in last 2 years

The number of active dematerialised (demat) accounts in the country jumped 63% in the past 12 months to 89.7 million in FY22. The growth was underpinned by factors such as an increase in smartphone usage, easier digital onboarding of customers, and attractive returns delivered by the equity markets. In the post-pandemic world, the number of demat accounts have jumped 2.2 times. Most of these new entrants are doing some or other stock market transaction. Each such transaction have taxation impact. Moreover, many times to enable for F&O transactions, brokerage houses ask for income tax returns. With the increase in the demat accounts in the last 2 years, there is huge scope of tax advisory solutions because of need for assessing resultant tax incidence.



### Industry Outlook in terms of price trends

Numbers of tax filers has been increasing continuously for last five years along with increasing levels of income and data convergence. These factors have impacted hugely the trends of pricing in case of Tax Advisory.

Expansion of gig economy: Last few years, India has been witnessing huge expansion of gig economy. Due to internet and various tech platforms, it’s possible for professionals to serve clients remotely and earn extra income. Most of the entrants to gig economy are existing salaried individuals who are working on professional assignments

on case to case basis on weekends or in non-office hours. If somebody was filing ITR-1 being salaried, one has to file ITR-3 or ITR-4 for doing some professional assignments and earning income therefrom. This demand needs to tax advice. As income has already increased, the readiness to pay of accurate tax compliance increases.

Convergence and data mapping: Due to digitisation drive of government and data mapping, transaction from high value purchase to foreign travel can be tracked by tax department. Must match in spending data and income reported results in query or notices from tax authorities. Further, due to data integrations, more queries are raised for various defaults which hitherto were gone neglected by tax authorities.

Expanding tax net due to digitisation and formalisation of society: Number of tax payers are increasing consistently but tax advisory ecosystem is same. This gap is increasing incidences of no advice or bad advice. Therefore, propensity to pay for accurate tax compliance is increasing day by day.

### SWOT Analysis of the industry

Strengths		Weaknesses	
<ul style="list-style-type: none"> <li>● Formalisation of the economy and rising income of the individuals</li> </ul>		<ul style="list-style-type: none"> <li>● Small base of income tax payers in India (less than 7%)</li> </ul>	
<ul style="list-style-type: none"> <li>● Large number of students formally entering the workforce every year</li> </ul>			
<ul style="list-style-type: none"> <li>● Increasing compliance burden of the existing Tax structure</li> </ul>			
Opportunities		Threats	
<ul style="list-style-type: none"> <li>● Government initiatives to bring more non-filers into the tax net</li> </ul>		<ul style="list-style-type: none"> <li>● Entrance of new player in the market</li> </ul>	
<ul style="list-style-type: none"> <li>● Increasing GST registrations in India</li> </ul>		<ul style="list-style-type: none"> <li>● Data breach of personal information of the individuals and companies</li> </ul>	
<ul style="list-style-type: none"> <li>● Automation potential in tax advisory solutions</li> </ul>			

Source: FSIAPL

### Peer Group Analysis Of Key Private Players In The E-Filing Of Income Tax Returns

Brief profile of TaxBuddy and its competitors are provided in the section below:

TaxBuddy: TaxBuddy, launched in 2019 is a unique, state-of-the-art tax platform that is the offering of SSBA Innovations Limited. Sujit Sudhakar Bangar, Ex - Indian Revenue Service and alumni from Harvard Business School has founded TaxBuddy along with Atul Umakant Rege, Sameer Jayaswal, Sanjay Sharadchandra Godbole and Srinivas Reddy. It offers end-to-end taxation services backed by technology to individuals and small businesses in India. TaxBuddy takes care of the three pivotal aspects of tax planning – tax filing, tax notice management and tax saving. TaxBuddy is focussed on advisory automation and offers subscription-based approach to tax advisory. Beta launch of TaxBuddy was on 4th October 2019, while it was commercially launched in 2020.

MyITreturn: MyITreturn is an online ITR filing website helping the users calculate their taxes and prepare their ITRs online using their website. It was started in the year 2006 and its legal name is Skorydov Systems Private Limited. Mr. Saakar S. Yadav is the founder and Director of the company.

Clear: Clear (earlier known as ClearTax) is among the online tax filing websites in India to file their ITRs online. Further, it also enables tax experts to assist their clients for all their tax compliances through software and website. Founded by Mr. Archit Gupta, Mr. Srivatsan Chari and Mr. Ankit Solanki in 2011, the company's legal name is Defmacro Software Pvt. Ltd.

### Comparitive Analysis



Factual comparison of the above competitors with SSBA Innovations Limited is as follows:

Parameters	Taxbuddy	MyITreturn	Clear
<b>Founded In</b>	2017	2006	2011
<b>Legal name</b>	SSBA Innovations Limited	Skorydov Systems Private Limited	Defmacro Software Pvt. Ltd
<b>Product type</b>	Subscription based annuals plans covering Tax life cycle	No annual subscription based plans. Separate plans for ITR filing	No annual subscription based plans. Separate plans for ITR filing
<b>Products Portfolio</b>	Taxbuddy: for salaried and small business classes to file their taxes smartly and effortlessly. Tax buddy also provides GST registration, GST filing and advisory solutions. <b>Finbino</b> : highly specialized financial advisory platform that is aimed at achieving digital financial planning with minimal human intervention	E- Filing of income tax, Expert assisted tax filing, mobile assisted income tax filing	<ul style="list-style-type: none"> <li>For Enterprise: GST software, E-invoicing, MaxiTC, Invoice discounting, E-way billing, E- TDS return filing solution, all types of legal compliances</li> <li>For Individuals: E- Filing of income tax, mutual fund advisory, Expert assisted tax filing, mobile assisted income tax filing via product – Black</li> <li>For SMEs: GST filing, billing software, Invoicing software, GST billing software</li> <li>For CAs: CA partner program, GST filing, TDS and tax reconciliation software</li> <li>Other services: Tax consultancy services, crypto taxation, mutual fund advisory, products for tax experts etc.</li> </ul>
<b>Fees charged</b>	<ul style="list-style-type: none"> <li>Fees of INR 499: Tax filing for salaried individual + 1 house property plan</li> <li>Fees of INR 999: Tax filing for salaried individual + more than one house property plan</li> <li>Fees of INR 1,499: Tax filing for individuals having business income (No Balancesheet &amp; P/L a/c included)</li> <li>Fees of INR 1,999: Tax filing for individuals having business income (Balancesheet &amp; P/L a/c included). Tax filing for individuals having multiple salary income, house property income, business income &amp; Capital gain income</li> <li>Fees of INR 3,999: Tax filing for Resident having Foreign Income / Expat plan</li> </ul>	<ul style="list-style-type: none"> <li>Free for users with annual income below INR 2.5 lakhs.</li> <li>Deluxe filers (fees of INR 400 plus taxes) - users with salary upto INR 10 lakhs</li> <li>Premier filers (fees of INR 1,200 plus taxes) - users with salary above INR 10 lakhs</li> <li>Professional filers (fees of INR 3,500 plus taxes) - users with foreign income and salary upto INR 10 lakhs</li> </ul>	<ul style="list-style-type: none"> <li>Fees of INR 999: Tax filing for salaried individuals with single or multiple Form 16 with Salary less than INR 50 Lakhs.</li> <li>Fees of INR 1,499: Tax filing for salaried individuals with single or multiple Form 16 with salary more than INR 50 lakhs.</li> <li>Fees of INR 3,999: Tax filing for individuals with capital gains, ESOP or salary arrears</li> </ul>

Source: Company website, FSIAPL

Financial comparison of the above competitors with SSBA Innovations Limited is as follows:

Company	Taxbuddy				MyITreturn			Clear		
	FY19	FY20	FY21	FY22	FY19	FY20	FY21	FY19	FY20	FY21
<b>Key financial parameters (in INR millions)</b>										
Net Revenue	0.1	0.8	4.8	19.6	66.1	31.5	21.3	208.1	353.7	619.8
EBITDA	(1.5)	(4.3)	(23.9)	(82.2)	17.7	(8.1)	1.1	(418.2)	(908.3)	(1144.0)
PAT	(1.5)	(4.3)	(35.1)	(88.8)	15.8	(11.1)	(2.1)	(442.9)	(949.8)	(1179.8)
Net Block of Fixed Assets	20.7	53.8	54.9	76.7	13.6	3.4	2.6	56.3	43.9	116.2
Total Assets	23.8	59.8	80.7	93.4	81.0	71.4	74.4	282.8	837.0	682.1
Shareholder's Networth	22.8	56.1	65.7	59.2	55.9	44.9	42.7	198.5	679.5	305.3
Total debt (Long term plus Short term)	0.0	0.0	0.0	21.0	13.6	20.7	26.3	0.0	0.0	0.0
<b>Key ratios</b>										
EBITDA Margin (%)	(1875.0)	(551.3)	(501.0)	(415.4)	26.8	(25.7)	5.1	(201.0)	(323.4)	(146.5)
PAT Margin (%)	(1875.0)	(551.3)	(735.8)	(448.5)	23.9	(35.2)	(9.9)	(212.8)	(268.5)	(190.4)
Debt/Equity (x)	0.0	0.0	0.0	0.4	0.2	0.5	0.6	0.0	0.0	0.0

Source: Ministry of Corporate affairs

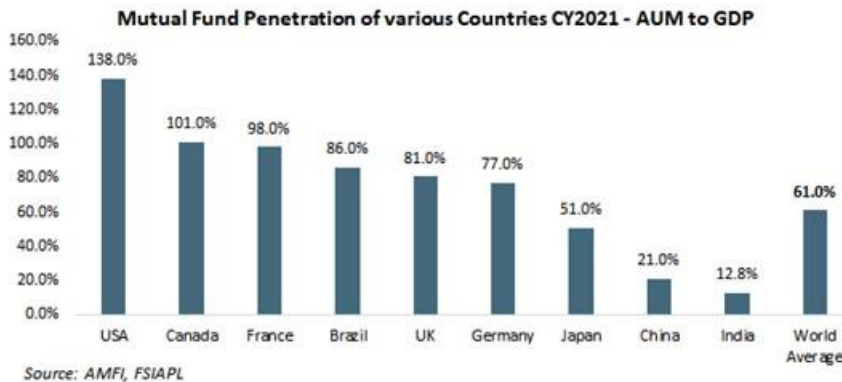
Note: FY22 financial numbers of TaxBuddy is provisional in nature, FY22 financial numbers of MyITreturn and Clear was not available on MCA portal

## Leadership of TaxBuddy in the market

Indian society is transforming into Digital One in big way. Taxation department has been in forefront of digitisation. Tax compliance was possible online without hindrance of physical distances. Logical next step would be tax advisory automation. TaxBuddy has been focused on the same since inception.

Out of 7.5 crore tax filers for AY 2021-22, more than 7 crore tax payers are individuals with small businesses, professions, free lancers, share transaction income etc. Most of the issues faced by these tax filers are patterned and automation of advisory aspects is very much possible. Further, tax advisory ecosystem has been constant while number of tax filers has almost doubled in last five years. Existing online tax platforms have been either creating software for tax consultants or creating DIY platforms for filing of income tax returns. Existing tax platforms are disseminating tax advisory by way of matchmaking between Tax Payer and Tax Expert. This doesn't solve the problem of band width with Tax Experts. Nobody in the industry has tried venturing in tax advisory automation.

Advisory automation is the thing which separates TaxBuddy from its competitors. TaxBuddy.com has been solely focused on automation of advisory aspects. As most of the taxpayer queries will be resolved by AI, there would be less requirement of application of mind by Tax Experts. From one side Tax Payers can get accurate tax compliance from TaxBuddy and from other side, Tax Experts can scale their business. TaxBuddy.com has been emerging as front runner in tax advisory market due to focus in advisory automation. Tax Advisory automation helps TaxBuddy.com to create unique entry level barrier. As automation is of issues or queries faced by users, more the users, more the automation and more the entry level barrier. TaxBuddy also has over 5,600 google reviews with 4.9 rating on google reviews.



### State wise Average Asset under Management (AAUM) in April 2022

#### INDIAN WEALTH MANAGEMENT INDUSTRY

Wealth Management has been in existence for quarter of a century in India. From serving the Ultra-HNIs and family's way back in the 1970s to what it is today, Wealth Management has evolved to become a multi-disciplinary approach with multiple solutions.

Banking played a key role in the emergence of wealth management industry. 50 years back, banks have functioned merely on deposits and providing credit to investors. With the emergence and expansion of the banking system during that period, India's savings rate rose from 16.0% of the GDP from early 1970s to 35.0% of the GDP by 1980. While financial deepening through banks played its vital role, rising per capita income, formalization of economy and diminishing share of agriculture in the GDP also played a key role.

Wealth Management currently has evolved to an end to end Money Management Solutions for every investor ranging from an Individual Investor/ family, Corporate Investor, HUF (Hindu Undivided Family) to a Trust. Private Wealth Management involves providing prudent investment solutions, Corporate and Treasury Advisory, Off Shore Advisory and Family Office. This business has a strong distribution capability for private clients through distribution/ referral model across equities, fixed income and alternates catering to Ultra HNI and HNI investors. In addition to comprehensive financial solutions, wealth management provides a strategic consolidated view on the client's overall portfolio, in addition to comprehensive financial solutions that go beyond investments.

#### Trends in Wealth Management Industry

The Hurun Research Institute as per the annual report in March 2021, mentioned that from its survey it found that the average age of an India Millionaire (With net-worth above USD 1.0 million) was 38 years, one year older than last year. This population seeks a wealth manager as they neither have the expertise nor the time to monitor their investments.

The wealth management industry is also witnessing market consolidation along its value chain. In addition, private equity funds are looking to participate in the growth story of Indian wealth management industry.

There is an increasing trend of HNIs and ultra HNIs looking at engaging with Family Office set-ups to not only help them in managing investments but also in ensuring a relevant structure to preserve, grow and manage their wealth for generations to come. There is increasing trend of HNIs investing in unlisted equity to be part of start-up story apart from the quest to have higher anticipated returns on account of unlocking of potential valuations upon listing on stock exchanges.

### Key growth drivers in the Indian wealth management industry

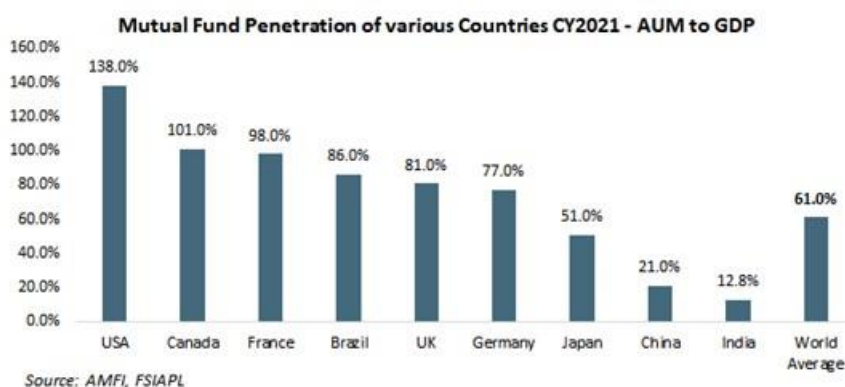
Increasing penetration of mutual fund market in India, increase in wealth and HNI population in India, increase in household savings with high proportion of savings towards financial assets, digitalizing wealth management sector and government initiatives are the key growth drivers in the Indian wealth management industry. Favourable demographics and rising income levels make it one of the most attractive sectors in the financial services industry.

With increasing mobile phone penetration and increasing wealth managers' use of technology enables transparency and systematic products in an efficient manner which in turn helps to develop informed customers and distributors to penetrate deeper across the wealth management space.

### Increase in market penetration of Wealth Management Industry in India

The assets managed by the Indian mutual fund industry has increased from INR 27.7 trillion in September 2020 to INR 38.9 trillion in April 2022. That represents 40.2% increase in assets over September 2020.

Despite the size and growth profile, India continues to be underpenetrated with a mutual fund penetration rate (the ratio of mutual fund AUM to GDP) of 16.0% in 2020, as compared to 138.0% in the United States, 86.0% in Brazil and a global average of 61.0%. India accounts for less than 2.0% of the global mutual fund industry which provides a significant growth opportunity for the industry.



### State wise Average Asset under Management (AAUM) in April 2022

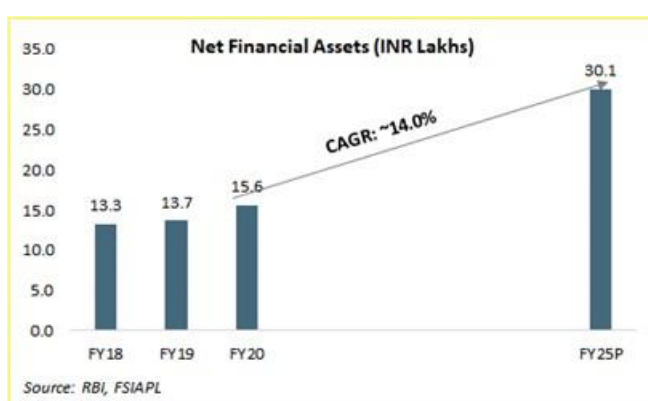
State	AAUM (INR Crores)	Equity (INR Crores)	Equity %	Non Equity %	AUM per Capita (INR)	AAUM % of GDP	No. of AMC Branches
Andhra Pradesh	48,700.0	34,577.0	71.0	29.0	9,330.0	5.0	45.0
Arunachal Pradesh	1,100.0	913.0	83.0	17.0	7,120.0	4.0	1.0
Assam	19,900.0	14,129.0	71.0	29.0	5,810.0	6.0	26.0
Bihar	33,300.0	26,640.0	80.0	20.0	2,790.0	5.0	39.0
Chhattisgarh	22,100.0	16,796.0	76.0	24.0	7,680.0	7.0	28.0
Delhi	3,38,600.0	1,52,370.0	45.0	55.0	1,70,890.0	40.0	48.0
Goa	22,200.0	15,762.0	71.0	29.0	1,44,120.0	30.0	24.0
Gujarat	2,68,800.0	1,63,968.0	61.0	39.0	39,570.0	18.0	158.0
Haryana	1,63,300.0	60,421.0	37.0	63.0	56,940.0	20.0	32.0
Himachal Pradesh	8,600.0	6,106.0	71.0	29.0	11,770.0	5.0	8.0
Jharkhand	36,700.0	30,094.0	82.0	18.0	9,810.0	11.0	41.0
Jammu and Kashmir	4,600.0	3,726.0	81.0	19.0	3,510.0	3.0	10.0
Karnataka	2,69,900.0	1,51,144.0	56.0	44.0	41,020.0	16.0	105.0
Kerala	41,900.0	32,682.0	78.0	22.0	11,940.0	5.0	55.0
Madhya Pradesh	53,800.0	40,888.0	76.0	24.0	6,550.0	6.0	54.0
Maharashtra	16,26,700.0	5,69,345.0	35.0	65.0	1,33,170.0	62.0	206.0
Manipur	700.0	609.0	87.0	13.0	2,170.0	2.0	1.0
Meghalaya	2,800.0	1,764.0	63.0	37.0	8,760.0	8.0	4.0
Mizoram	700.0	336.0	48.0	52.0	5,490.0	3.0	0.0
Nagaland	1,400.0	714.0	51.0	49.0	6,720.0	5.0	1.0
Orissa	45,000.0	24,300.0	54.0	46.0	10,300.0	8.0	43.0
Punjab	43,800.0	33,288.0	76.0	24.0	14,680.0	8.0	57.0
Rajasthan	68,100.0	46,989.0	69.0	31.0	8,820.0	7.0	70.0
Sikkim	1,400.0	966.0	69.0	31.0	20,340.0	4.0	0.0
Tamil Nadu	1,67,100.0	93,576.0	56.0	44.0	22,080.0	9.0	107.0
Telangana	52,100.0	33,344.0	64.0	36.0	14,000.0	5.0	35.0
Tripura	1,400.0	1,106.0	79.0	21.0	3,550.0	3.0	5.0
Uttar Pradesh	1,67,100.0	1,21,983.0	73.0	27.0	7,430.0	9.0	141.0
Uttarakhand	15,100.0	11,929.0	79.0	21.0	13,540.0	6.0	20.0
West Bengal	1,99,500.0	1,25,685.0	63.0	37.0	20,580.0	16.0	93.0
<b>India</b>	<b>37,26,400.0</b>	<b>18,16,150.0</b>	<b>48.7</b>	<b>51.3</b>	<b>28,664.6</b>	<b>12.8</b>	<b>1,457.0</b>

Source: AMFI, FSIAPL

Maharashtra contributes highest AUM as % of GDP which is 62.0% as compared to North Eastern regions like Manipur which contributes 2.0% the least as on April 2022. When it comes to per capita AUM, New Delhi ranks 1st with assets of INR 1,70,890 per person. New Delhi tops the list of per capita AUM followed by Goa, Maharashtra, Chandigarh and Haryana. While Manipur has the lowest per capita AUM of INR 2,170 as on April 2022.

### Shift in savings from physical assets to financial assets

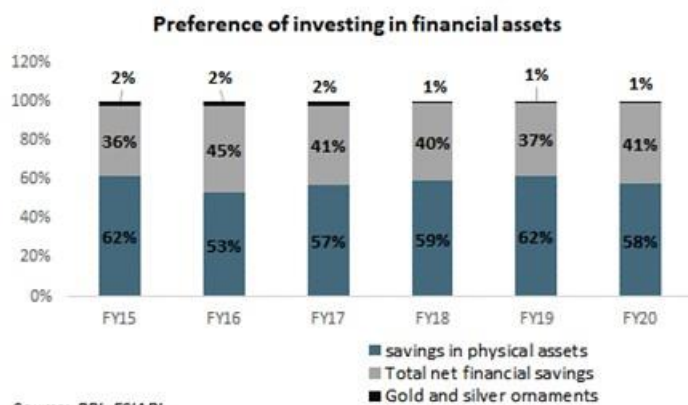
Indian households have been quite conservative and wary of investing their savings into volatile or uncertain return-based assets like equity. A pursuit of safe bets has always driven Indians towards making investments in physical assets like gold. This is slowly changing over time, especially post announcement of demonetization in November 2016. Also, the country is seeing a major shift in attitude from capital preservation to wealth creation.



With a likely growth rate of India's GDP projected at 9.2% in 2022, the country will remain a key growth driver of global economy. Against this backdrop, the number of Ultra High Net Worth Individuals (UHNWI) is estimated to increase from 6,884 in 2021 to 11,198 in 2025. India's UHNWIs is likely to expand by 63.0% in the next five years. Financial assets will witness much faster growth rate as compared to physical assets. The reduction in bank deposit rates in the past year has further led to a shift in investment to mutual funds and the stock markets.

Individuals and investors are rapidly moving away from traditional physical investments such as real estate and gold and making higher allocations into financial assets such as equity, bonds and alternate investments, thereby creating higher potential for wealth management products.

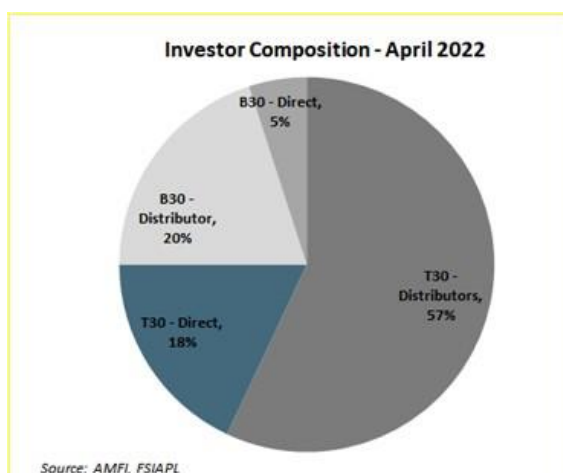
As per RBI, the average Indian household holds approximately 84.0% of its wealth in real estate and other physical goods, 11.0% in gold and the rest in the form of financial assets. Financial savings has higher proportion to household's savings in developed countries as they are more likely to finance home purchasing with a mortgage, and allocate a sizeable fraction of their wealth to retirement savings over the course of their lifetime. Individuals and investors in India are increasingly moving away from traditional physical investments such as real estate and gold and allocating higher proportion of their investment into financial assets such as equity, bonds and alternate investments, thereby creating higher potential for wealth products. Lower expected returns on physical assets is the major reason for shift in investments preference of investors towards financial products. With stable gold price and falling real estate price, investment in physical savings has reduced over the years. Investment attractiveness towards fixed deposit has also declined as fixed deposit returns have fallen over the past three years. As Nifty index rose, driving the shift of household savings preference from physical assets towards financial products.



The share of financial savings increased to 41.0% in FY20 from 36.0% in FY15. The Financial Savings is at INR 16.2 trillion in FY20. There has been an increase in proportion, primarily in financial asset class and the trend is likely to continue to grow in the coming years.

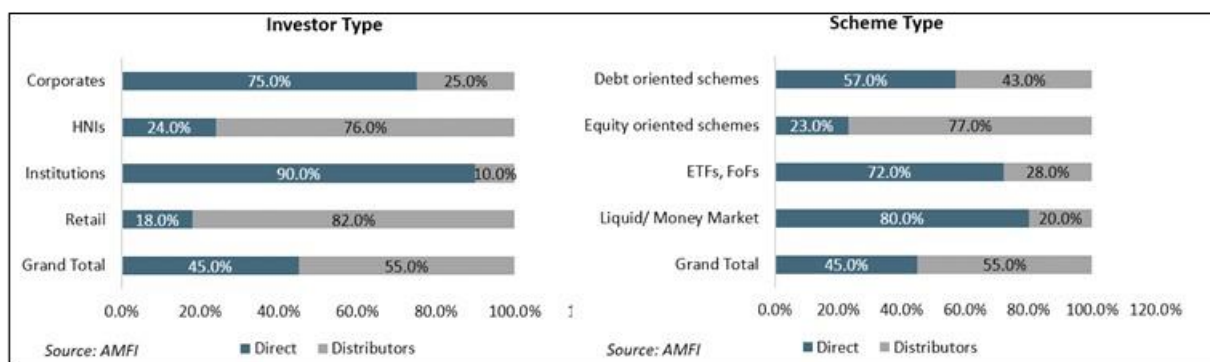
### Role of Distributors in Wealth Management Industry

Distributors play a key role for strong participation from retail investors that has led to overall growth in the industry. Retailers/ HNIs have preferred to invest through distributors though the percentage of direct investment is increasing over the years. As of April 2022, about 82.0% of the retail investors chose to invest through distributor, while 76.0% of HNI assets were invested through distributor. In the equity schemes, 78.0% of the assets were through distributors who have played as important role for growth of domestic equity market. Distributors are becoming more and more prominent with private players dominating the distribution market where advisors still play a crucial role in providing information to potential investors.



With rising inflows in mutual funds of INR 38.9 trillion AAUM as on April 2022, there is steady increase in new distributors joining the bandwagon. If we consider the employees holding Employee Unique Identification Number (EUIN), the total distributors (excluding non-individual distributors) have gone up. This implies that banks and national distributors are ramping up their sales force to cater to the increased demand for mutual funds. The increased demand for mutual funds could be leading to more players taking up MF distribution. B30 (Beyond top 30 cities) distributors are entitled to earn higher commissions as compared to T30 (Top 30 cities) distributors.

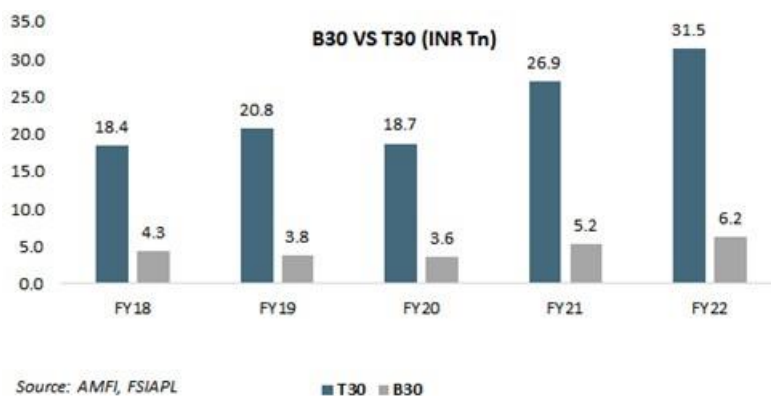
On the other hand, ~18.0% of the retail investors chose to invest directly while ~24.0% of HNI assets were invested directly in April 2022. About 13.0% of the retail investors chose to invest directly, while 22.0% of HNI assets were invested directly in September 2019. Percentage of direct investment is increasing because it decreases the cost of investment for investors and increases the actual return from the investment. 45.0% of the assets of the mutual fund industry came directly. There is also another reason for increase in direct investment as a large proportion of direct investments were in non-equity-oriented schemes where institutional investors dominate. 80.0% of liquid/ money market scheme assets where institutional investors dominate, were direct, whereas 57.0% of debt-oriented scheme assets and 23.0% of equity scheme assets were direct.



Distribution channel accounted for ~77.0% of total mutual fund assets under management (AUM) as on April 2022, of which 57.0% belongs to top 30 cities.

### Rise in retail participation in mutual fund industry

As per SEBI circular dated 2nd February 2018, the terms and definition of ‘15 cities’, ‘T15’ and ‘B15’ are substituted with ‘30 cities’, ‘T30’ and ‘B30’ respectively. T30 cities include Mumbai, Delhi, Bengaluru, Pune, Kolkata, Ahmedabad, Chennai, Hyderabad, Vadodara, Jaipur, Surat, Lucknow, Nagpur, Kanpur, Nasik, Indore, Coimbatore, Patna, Chandigarh, Bhopal, Ludhiana, Rajkot, Udaipur, Bhubaneswar, Guwahati, Ranchi, Jamshedpur, Dehradun, Varanasi, Agra. B30 cities are beyond the top 30 cities. The retail investment in mutual fund industry in T30 cities has increased with the CAGR of 14.4% from INR 18.4 trillion in FY18 to INR 31.5 trillion in FY22. On the other hand, retail investment in B30 cities has increased with the CAGR of 9.6% from INR 4.3 trillion in FY18 to INR 6.2 trillion in FY22.



The wealth management market (assets under advisory) in India is about 12.8% of the country's GDP, as compared to 60.0% to 75.0% of GDP in established markets. The increase in penetration of wealth management companies

into Tier II and III cities will also help to drive the growth given more than 44.0% of the Ultra HNIs live in non-Metro where currently wealth is majorly managed by Independent Financial Advisors and Chartered Accountants.

As investors are getting more educated and awareness is increasing, retail investor’s style of investing is becoming more mature and they are becoming aware of the potential that equities offer along with the risks associated with it.

The top five cities, Mumbai, Delhi, Bangalore, Kolkata and Pune contribute almost 60.0% of the AUM of mutual fund. But with rising income levels and a growing affluent middle class, Retail investors are becoming more inclined towards equities as an investment option over traditional preference of savings towards physical assets, especially from B30 cities.

### Increase in folios

Retail investor is becoming more mature as they are getting more information in relation to equities potential and risk associated in investing in it. Since FY10, there is an increase in investor accounts from 47.6 million to 129.5 million in FY22. Increase in penetration of mutual funds products is driven by increase in number of folios and participation from mass affluent segment. There are 129.5 million accounts in the mutual fund industry in FY22, of which 91.0% is accounted for by retail investors. There were 117.9 million retail investor accounts, 10.7 million HNI accounts and 0.9 million Institutional investor accounts as on 31st March 2022.



Source: AMFI, FSIAPL

### Increase in HNI population in India

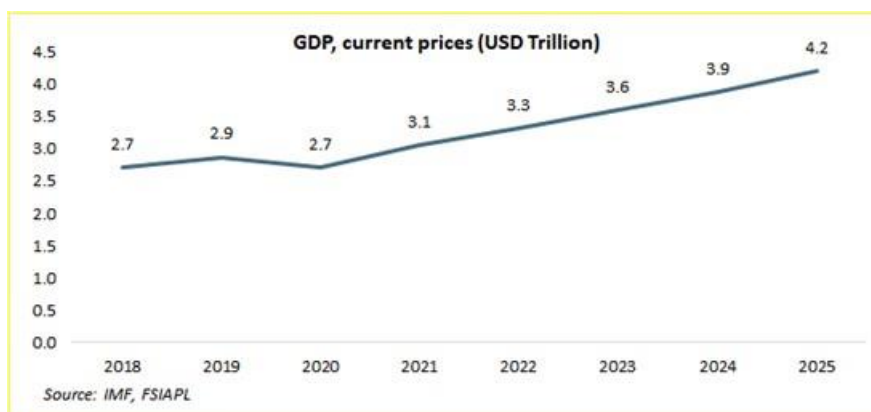
For the past decade, India was classified as a lower-middle income country which aspires to move a step up in the global prosperity stage. In the past three decades, per capita incomes have multiplied manifold, poverty has reduced, illiteracy rates have fallen, and health conditions have improved. According to World Bank draft report, there is an expansion of young adults in India. The share of population in extreme poverty of India was reduced from almost 50.0% in 1994 to ~13.0% in 2015. India is expected to eliminate extreme poverty by 2026 (to below 3.0%).

Particulars	2015	2020	2025P	Growth Forecast (2020-25)
HNI population	2.0 Lakh	3.50 Lakh	6.11 Lakh	75.0%
UNHWI population	6,020.0	6,884.0	11,198.0	63.0%

Source: Indian Brand Equity Foundation, FSIAPL

### Increase in GDP will lead to growth of wealth in India

The average per capita GDP of India rose from USD 443 in CY2000 to USD 2,902 in CY2021. Increase in GDP/Adult ratio of developed nations such as United States of America, Japan, Australia has led to increase in their wealth/ GDP ratio. While India’s GDP is expected to grow at much faster rate, it is estimated that it will show increase in its wealth/ GDP ratio as growth witnessed by developing nations. Most of the good performing countries were boosted by strong stock market gains during CY2021.



### Key business models in the Indian Financial Advisory Industry

Particulars	AI		Traditional Wealth Managers
	Fully automated	Advisor-assisted	
<b>Business Model</b>	Software-based delivery of tailored and automated investment advice	Phone-based financial advisor available through digital channels	Face-to-face advice mainly through the branch network
<b>Target Customer</b>	Millennial, tech-savvy and price conscious customers	Mass market and mass affluent clients	HNI and ultra- HNI clients
<b>Competitive Advantage</b>	A convenient, easy-to-use and low-cost online platform offered directly to consumers	A digital platform combined with advisors; prices are affordable for a fully diversified portfolio	A dedicated Financial Advisor with full range of investment choices and complete wealth planning
<b>Fee Components</b>	0.20%–0.60% fee on assets managed	A 0.25%–0.95% fee on assets managed; monthly fees per planning program	A 0.70%–1.6%+ fee on assets managed; varies on the basis of investment type
<b>Investment Style</b>	Risk profile, target asset allocation, managed investment account, automated readjustment and easily accessible	Virtual FA meetings, financial planning, risk profile, target asset allocation, managed investment account, automated readjustment, easily accessible and frequent reviews	personal meetings with an advisor, financial planning, investment proposal, target asset allocation, brokerage and managed accounts, automated readjustment, in person access and frequent reviews
<b>Investment Asset Class</b>	Exchange traded funds and Index funds	Exchange traded funds and equity stocks	All Asset class

### Wealth Management Operating Models in the next 5 years

- Pure Automated Advisory Model

The model is suitable for HNIs with basic investment needs with no need for a personal touch, and majorly dependent on technology for investment guidance

- Hybrid Advice Model

This model lies in between the above two models and takes advantage of both technology-driven and traditional advice, where the wealth manager takes the calls on whether to cater clients to the digital or personal relationship services

- Holistic Goal



360 Degree based Financial Planning and Wealth Management Model which is characterized by a personal relationship between the client and wealth manager and frequent human interaction. This model provides holistic and customized advice

Increasing need and acceptance of Artificial Intelligence (AI) enabled investment advisory among millennials. The wealth management industry is seeing a phase of significant demographic change as its largest investor segment i.e. the baby boomers (born between 1946 and 1965) retires and assets are transferred to the next generation i.e. Gen-X (born between 1966 and 1980) and Gen-Y/ millennial (born after 1980). Traditional wealth managers are finding it difficult in maintaining relationship with clients who are tech-savvy and do not rely on experts for advises. On average, a financial advisor is over 50 years of age, which results in a generational gap and a slight disconnect with the younger generation. The simple technology platforms offered by new-age digital wealth managers connects well with the needs of millennials. Fintech companies have also benefited from the fact that many millennials do not have a trusted advisor relationship and feel comfortable using technology to manage their finances. Hence, fintech companies are well positioned to capitalize on the generational shift.

Digital technology has changed the way people interact which is creating opportunities for new engagement models with end investors. These technology-backed automated investment services like AI platforms have been developed on the premise that many of the activities performed by traditional investment advisors can be replicated by adopting advanced digital capabilities. AI Platforms have successfully leveraged the demand for user friendly and interconnected digital services and deployed a simple streamlined digital experience for clients. Fintech companies have created direct-to-consumer models to provide the basic elements of wealth management advice, minimizing the traditional reliance on human advisors. Digital platforms automatically invest and rebalance according to clients' goals and risk tolerances without any human interference.

As per BCG Global Wealth Report released in June 2021, the total clientele of wealth management industry, the market share is baby boomers (~70.0%), Generation X (~20.0%) and Millennials (~10.0%). Out of these, 30.0% - 50.0% of clients have little wealth invested as they do not know how to invest the money and do not have time for it. ~20.0% - 40.0% have some wealth invested as they want just protection against inflation. ~10.0% - 30.0% of clients have much wealth invested as they rely on themselves for investment as well as financial advisors.

Millennials are comfortable with independently navigating many elements of their wealth management, and they're not inclined to pay high fees for activities they believe they can do well enough on their own, such as stock picking. What they want are exclusive opportunities, specialized lending, and investment expertise—services and capabilities they can now access through AI platforms.

### **Technology a game changer in financial advice**

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, traditional asset managers focused on meeting the stringent regulatory requirements and solving other crisis-driven complexities, several new age companies focused on developing simpler and cheaper methods of delivering financial solutions in an innovative way. This led the way for virtual advice, and in the increasing evolution of virtual advice, one of the most recent disruptions is AI i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. These firms are challenging one of the main paradigms of the wealth management industry which is the need for face-to-face interaction and a personalized human touch to financial advice.

Technology is changing the nature and delivery of financial advice in many ways. Technology is enabling platform convergence and creating opportunities for new client engagement. There is an increasing number of online trading, brokerage, investment, direct-to-consumer (D2C) and use of AI offering user centric, low-cost, automated solutions for key functions such as investing, asset allocation, and portfolio management and reporting. Asset managers are not only revamping business models but also standardizing, centralizing and outsourcing through the use of technology. Processes are becoming paperless, efficient, easy and real-time.

Wealth managers have earlier focused on the HNI and ultra-HNI segments, which looks better with the economics of their advisor-based business model, providing sophisticated products and face-to-face service. This leaves less affluent investors devoid of high-quality wealth management advice. Technologies like AI have the ability to make wealth advice economically feasible to the mass market. Their operating model differs from that of traditional players in that it is simple in terms of products but clear and efficient in scalability. This, in turn, has enabled these players to reach client segments that have traditionally been out of reach of wealth managers. The mass market offers tremendous potential for wealth managers worldwide. These fintech companies have made it

possible to bring investment advice to the masses and unlock the large potential of underserved segments through their low-cost and potentially highly scalable solutions in order to meet core wealth management needs.

AI technology is automated, low-cost money management providers that can play the role of a traditional financial advisor. The basis for this technology is that algorithms can provide sound and logical financial advice at a fraction of a cost compared to human advisors.

AI uses a combination of simplified client experience, lower fees and increased transparency to offer automated advice directly to the consumers. The process followed by majority of AI users is as follows:

- Investors have to complete a detailed online questionnaire designed by the experts. This includes questions related to the investor’s specific needs, financial goals and risk appetite
- The AI platform uses exclusive algorithms to process the inputs, and select a portfolio to provide a customized investment plan to investors. The portfolio is frequently rebalanced to optimize profits and taxes
- The portfolios are monitored consistently by computers. Investors can change their goals and risk tolerance depending upon their financial needs which will trigger re-balancing of the portfolio

AI mainly provide automated portfolio management with limited focus on tax, retirement and estate planning and it is feasible to charge lower fees because of automation. The platforms offer passive investment and charge lower fees.

Particulars	Traditional Wealth Managers	Full Automated	Advisor-assisted
Financial Planning	✓	✓	✓
Investment	✓	✓	✓
Insurance	✓	✓	✓
Banking	✓	✗	✗
Retirement	✓	✗	✗
Trust	✓	✗	✗

## Development in the AI space in India

### Ranges of services provided by AI platforms

Type	Services
Basic	Ready portfolio of pre-selected funds
	Limited risk profiling and customization
Medium	Customized mutual fund portfolio construction; goal-based financial advice
	Complete telephonic financial counselling
	Detailed risk profiling and customization
High	Customized mutual fund portfolio construction
	Goal-based financial advice; basic life and health insurance related advice
	Tax optimization; expense restructuring
	Detailed risk profiling and customization

As the prevalence of AI has increased globally, these platforms have also made their way to India. Typically, AI platforms across the globe channelize client’s funds into low-cost index funds and ETFs.

Digital platforms operate on a very low-cost model compared to traditional wealth management firms. In India, most professional financial planners charge INR 12,000 to INR 45,000 a year to manage a client’s portfolio, while wealth management firms, which mainly cater to wealthy clients, charge 0.7% to 1.6% of AUM per year. Technology products are mostly free of cost and earn either from trail commissions from fund houses or charge a very low advisory fee. The typical fee structure of these platforms is either of the following:

- The charges are levied on investors as these platforms charge between INR 1,000 and INR 7,500 per annum, or ~0.15% of AUM
- The charges are compensated by fund houses as these platforms work on commissions with no charge from investors

The rise in digitisation has subsequently led to growth in the number of robo-advisors. The Indian robo-advisory landscape can be categorised broadly into three types—fund based (examples include Scripbox, Fisdom, Finpeg, Orowealth and Kuvera); equity based (Smallcase, Fyers, Tauro Wealth and Markets Mojo); and comprehensive wealth advisory (INDWealth, Cube Wealth and Arthayantra). The assets under advisory (AUA) of leading robo-advisors in India (according to their own disclosures) are: Kuvera (USD 1.97billion); Orowealth (USD 408.0 million); Scripbox (203.0 million); and Goalwise (USD 115.0 million).

## **OUTLOOK OF WEALTH MANAGEMENT ADVISORY IN INDIA**

The new mass affluent investors were not well-served by traditional private wealth managers, especially because of the absence of a viable business model. Financial advice from such traditional wealth managers requires a higher minimum investment which majority of small investors cannot afford. The only available option so far for such investors was to either do it themselves, or avail the services of distributors or Independent Financial Advisor's (Independent Financial Advisors are professionals who offer independent advice on financial matters like money, personal finances and investments to their clients and recommend suitable financial products), or explore traditional investment instruments such as term deposits. With the use of technology, investors have access to the same professional advice at a lower cost and at affordable prices. AI Platforms have brought accessibility, transparency, simplicity and unbiased opinion to the whole investment process. It is more attractive to millennials because they demand speed, customisation, accuracy and control from their financial advisers. With new use of data, analytics span the spectrum from institutional trading and risk management to even small notional retail wealth management.

Globally as well, AI technology is swarming into the wealth management industry. They have been able to develop a streamlined digital experience for clients, which had been largely lacking in traditional wealth managers' digital offerings. This combined with increased transparency and lower fees have the ability to make wealth advice affordable for the mass market.

AI Platforms steps to streamline the client online experience, provide greater transparency and improve the affordability for the mass segments are irreversible and they are making traditional financial advisers rethink their business models. According to research by Accenture, use of technology could result in possible fee reduction of as much as 70.0% for some services.

On the global level, the current market share of these fintech firms is marginal as they have only gained a small share of (AUM) but several companies already have AUM of more than USD 1.0billion. Several research studies project that technological applications are going to witness significant growth going forward as these fintech companies have managed to make quality financial advice available to millennials at an affordable cost. AI platforms will be key to unlocking access to the mass market services, which, in turn, would help in growing the overall wealth management market. These fintech companies have also received strong funding support from venture capital funds. The study predicts that the total market size for hybrid AI models will further increase to USD 16.3 trillion by 2025, which will be 10.0% of total AUM around the world at that time. Robo-advisory market is expected to grow to USD 5.0 trillion by 2025. On the other hand, fully automated AI platforms are likely to hold around 1.5% of the total global wealth by 2025.

Similar trend is going to be witnessed in India too. According to a report titled 'Global Wealth 2021: When Clients Take the Lead', published in June 2021 by the Boston Consulting Group (BCG), financial wealth grew among Indians at 11.0% p.a. from 2015 to 2020 and is further expected to increase at 10.0% p.a. to USD 5.5 trillion by 2025.

A key trend is the rapid development of the private markets in India, which have already become both rather sophisticated and large. Over the last 10 years, the amount of private equity that's come into this country exceeds the FDI inflows to this country. India now gets about USD 40.0billion – USD 45.0billion of private equity every year, and the average for the last five years is about USD 35.0billion. The very buoyant equity indices and IPO activity had helped private wealth creation, although external factors including the pandemic keep advisors and investors on their toes. Expanding Indian economy, rising per capita income and increasing urbanisation is the tailwind for the wealth management industry. According to World Economic Forum, the number of mass affluent middle-class people is also on the rise with 80.0% of India's population falling in the middle-class segment by 2030, up from 50.0% in 2019. This will all produce strong growth in wealth management industry.

## **PEER GROUP ANALYSIS OF KEY ROBO ADVISORY PLAYERS**

Brief profile of Finbingo and its competitors are provided in the section below:

**Finbingo:** Finbingo is a robo advisory platform offering digital financial planning and mutual fund investment services to users in achieving their financial goals. Finbingo offers various tools like Tax Planner, Wealth Builder, Portfolio doctor including other financial calculators which users can use by themselves to get immediate financial advice. Wealth Builder is a Robo Advisory tool which has simplified, easy-to-navigate do-it-yourself flow. Based on user's various parameters, including income, expenditure, age, family, assets and liabilities, risk appetite etc.; it recommends customized financial advice ranging from emergency funds, asset allocation, insurance, retirement etc. Portfolio Doctor is an AI based financial tool which analyses user's Mutual Fund Portfolio and group Mutual Fund investments in well-performing, non-performing and average performing categories, so that users can take appropriate action. Tax planner is a do-it-yourself tool which users can use for effective tax planning.

**Scripbox:** Scripbox is an online investment platform that helps investor achieve unique and personalized financial goals. It is a wealth management platform that uses science, data and technology by leveraging experience and human touch. The Scripbox Robo advisory service has questionnaires based on user's financial needs, including if user aim to save tax, build wealth, or be emergency ready. It provides a sample portfolio based on user's inputs. It also gives investment suggestions on mutual funds to invest in.

**FundsIndia:** FundsIndia is an online-only investment platform. The company aims in assisting its users in taking informed investment decisions on a well-defined platform that is technologically motivated. Money Mitr, its robo-advisor tool provides high-quality, personalised investment advice for financial goals, bringing together cutting-edge technology and human expertise. It provides mutual fund portfolios for a lump sum, tax-saving, long-term, and goal-oriented investment requirements and among other conditions. It also provides opportunity to the users to invest in stocks, Fixed deposits, insurance and National Pension Schemes.

**Fisdom:** Fisdom is an automated investment service provider. They manage a personalized online investment account for user that is accessible anytime. It is an investment robo-advisory platform that provides one stop solution with broking, mutual fund schemes, insurance, pension funds and private wealth management services.

### Comparitive Analysis

Factual comparison of the above competitors with Finbingo is as follows:

Parameters	Finbingo	Scripbox	FundsIndia	Fisdom
Launched In	2022	2013	2009	2015
Legal name	SSBA Innovations Limited	Scripbox Advisors Private Limited	Wealth India Financial Services Private Limited	Finwizard Technology Private Limited
Features	Allows investor to invest in mutual funds and national pension system. Also helps in investment selection, wealth creation, retirement planning and tax planning	Allows investor to invest in mutual funds, fixed deposits, US stocks, exchange traded funds, new fund offers and national pension system. Also helps in investment selection and retirement planning	Allows investor to invest in mutual funds, corporate deposits, insurance, stocks and national pension system. Also helps in investment selection, wealth creation and retirement planning	Allows investor to invest in mutual funds, stocks, health insurance and pension funds. Also helps in investment selection and private wealth management services
Products	Mutual Fund platform, Portfolio Doctor, Finbingo Wealth Builder, Finbingo Tax Planner, Financial Life Goals, Tax calculators, national pension scheme	Scripbox wealth plans, Scripbox goal based plans, Core Mutual funds, Tax saver plans, Emery Fund plans, Corporate and NBFC fixed deposits, bank fixed deposits, investment and retirement planning advisory	FundsIndia select mutual funds, FundsIndia Power STP, FundsIndia stable growth 25, corporate deposits, insurance, stocks and national pension scheme	Demat trading platform, Fisdom curated mutual funds, health insurance products, national pension scheme, phygital model private wealth management service
Pricing model	Annual subscription based model. Various plan include: • Free plan • Tax planning advisor (INR 499/year) • Wealth Builder (INR 1000/year) • Portfolio doctor (INR 1500/year)	Charges brokerage for equity transactions and earns fee from the mutual fund companies	Charges brokerage for equity transactions and earns fee from the mutual fund companies	Brokerages charged for equity trading. Subscription based plan also available for equity delivery and intraday trading. The company earns fee from the mutual fund companies

Source: Company website, FSIAPL

Beta launch of Finbingo was on 5th March 2020. Finbingo was in development stage during FY22 and it was commercially launched only in May 2022. Beta version revenue break-up of various segment of Finbingo during FY22 is as follows:

Finbingo's beta version revenue break-up in FY22		INR
Wealth Builder		89,595
Portfolio doctor		21,608
Tax planning		1,24,056
<b>Total</b>		<b>2,35,259</b>

Source: SSBA Innovations Limited

Note: FY22 financial numbers of Finbingo is provisional in nature

Financial comparison of other competitors of Finbingo is as follows:

Company	Scripbox			FundsIndia			Fisdcom		
	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
<b>Key financial parameters (In INR millions)</b>									
Net Revenue	92.3	108.1	140.8	449.6	371.5	479.3	46.3	117.7	168.1
EBITDA	(321.9)	(463.8)	(552)	(118.3)	(94.5)	68.7	(103.9)	(239.6)	(380.5)
PAT	(398.9)	(498.7)	(660.8)	(127.1)	(102.1)	61.04	(108.8)	(245.9)	(384.8)
Net Block of Fixed Assets	11.9	8.3	5.5	15.9	9.0	4.4	6.0	6.9	13.0
Total Assets	1,591.4	1,053.7	651.9	346.8	370.5	399.2	149.4	788.1	1,002.4
Shareholder's Networth	1,523.3	999.7	545.9	174.8	158.3	223.9	137.4	769.6	946.3
Total debt (Long term plus Short term)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Key ratios</b>									
EBITDA Margin (%)	(3.5)	(4.3)	(3.9)	(0.3)	(0.3)	0.1	(2.2)	(2.03)	(2.3)
PAT Margin (%)	(4.3)	(4.6)	(4.7)	(0.3)	(0.3)	0.1	(2.3)	(2.1)	(2.3)
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Corporate affairs

Note: FY22 financial numbers of Scripbox, FundsIndia and Fisdcom was not available on MCA portal

## OUR BUSINESS

*This section should be read in conjunction with “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 31, 261 and 202 respectively, before making an investment in the Equity Shares. In this section, references to “we”, “our” and “us” are to our Company and our Subsidiary, on a consolidated basis. Our Restated Financial Statements for the Fiscals 2022, 2021 and 2020 is prepared under the Ind AS and included in this Draft Red Herring Prospectus. Unless otherwise stated, financial information in this section has been derived from our restated financials on a consolidated basis.*

*We commissioned and paid for such report for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports paid and commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 46 .*

*Unless otherwise indicated, industry and market data used in this section has been derived from a report titled “Industry Research Report on E-filing of Income Tax Returns in India” dated July 19, 2022 (“Fitch Report”), by Fitch Solutions, appointed by us pursuant to an engagement letter dated May 09, 2022, and exclusively commissioned and paid for by us in connection with the Offer. Unless otherwise indicated, all industry and other related information derived from the Fitch Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Fitch Solutions was appointed by our Company and is not connected to our Company, our Directors, and our Promoters.*

### Overview

We are a technology-driven financial solutions and services platform focusing on providing end-to-end financial solutions in the area of tax planning and filing, personal investment advisory and wealth building to individuals, HUF, professionals, firms, and companies registered on our platforms (jointly referred to as the “Users”) in India.

Our Company was incorporated on August 14, 2017 and thereafter we started working towards developing our product offerings in-house. Our first platform, TaxBuddy was launched in October, 2019, that offers assisted tax (ITR and GST) planning and filing, advisory and IT Notice Management (“**Tax Solutions**”) and subsequently, our second platform, Finbingo was launched in May 2022, that offers financial solutions including planning, advisory and wealth management (“**Financial Solutions**”). Over the years, we have transformed from being an online tax filing platform to a one-stop-shop for end-to-end Tax Solutions and Financial Solutions provider at an affordable cost. According to Fitch, TaxBuddy also has over 5,600 google reviews with 4.9 rating on google reviews. Our platforms have an ISO 9001:2015 certificate for quality management system for providing AI based automated platform for service for filing of tax returns and wealth management by two module as taxbuddy.com and finbingo.com.

We also provide certain complementary services like tax calculator and access to direct mutual funds, to our Users on our platforms. Upon subscribing to the relevant subscriptions available on our platforms, our Users get converted to our subscribers (“**Subscribers**”, which together with our Users, are our “**Customers**”) We also provide free accidental insurance policies to our Subscribers as a part of value added services with the subscription plans offered through TaxBuddy, for which we have availed a group total protect policy with one of the insurance companies.

Our unique product offerings, inclusive of expert tax advice at optimal costs by way of leveraging technology, allows our Customers to have more control on personal tax and GST compliance, including but not limited to, personal finance and tax planning, goal based investments and investment portfolio tracking and analysis.



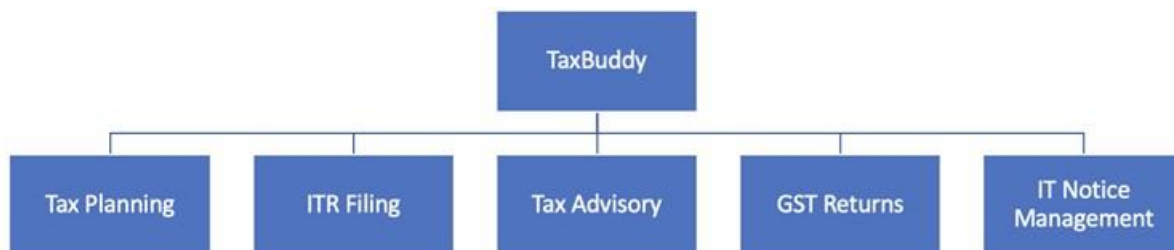
We offer our services mainly under two tech enabled platforms, developed in-house:

a. TaxBuddy:

This is an online platform available on mobile app, web browser as well as WhatsApp, which enables our Subscribers to file tax returns (ITR and GST) with the assistance of our tax experts, who are associated with us either as our employees (on permanent as well as temporary basis) or as our external consultants. (“**Tax Experts**”).

We have also entered into an arrangement with some e-commerce platform enabler companies, through which we provide tax compliance services and other services to their customers through TaxBuddy.

*Our Tax Solutions includes:*



As of June 30, 2022, we have entered into MoUs with some of the practicing tax professionals associated with us as external consultants from across India, including but not limited to Mumbai, Kolhapur, Delhi, Ahmedabad and Pune.

TaxBuddy.com has been emerging as front runner in tax advisory market due to focus in advisory automation. (Source: Fitch Report)

a. Finbingo

Finbingo is an online financial robo advisory platform, available via mobile as well on web browser, offering digital financial planning and mutual fund investment services to our Users in achieving their financial goals. According to Fitch, Robo-advisory market is expected to grow to USD 5.0 trillion by 2025. Finbingo offers various tools like Tax Planner, Wealth Builder, Portfolio Doctor including other financial calculators which users can use by themselves to get immediate financial advice. (Source: Fitch Report)

We have recently forayed into the direction of providing financial solutions and services through our platform, Finbingo. We are a member of BSE StarMF and have integrated Finbingo platform with BSE StarMF platform to provide our Users access to direct mutual funds, which are commission free. We currently have MoUs with certain financial services platforms like Axis Securities Limited which seamlessly offer Finbingo’s financial advisory services to their clients

*Our Financial Solutions include:*



### Revenue from Operations

Our revenue from operations from the two platforms for the Fiscals 2022, 2021 and 2020 are as follows:

(₹ in thousand)

Platform	Fiscal 2022	Fiscal 2021	Fiscal 2020
TaxBuddy	18,623.77	4,551.95	709.43
Finbingo*	1,035.26	-	-
<b>Total</b>	<b>19,659.03</b>	<b>4,551.95</b>	<b>709.43</b>

\*Our Finbingo platform was officially launched in May 2022. However, during FY 2022, we entered into an agreement with Axis Securities Limited for integrating Finbingo tools on their platform for providing services to their clients. This revenue is attributable to fees generated from such integration and from Subscribers accessing to beta version of the Finbingo.

### Performance Indicators

Set out below are certain key performance indicators

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
New Users (nos)	3,47,071	73,111	20,302
New Subscribers (nos)	16,398	4,630	1,360
Lead Conversion Ratio (%)	2	3	6
User Base (nos)	4,40,484	93,413	20,302
No. of subscriptions (nos)	19,202	5,700	1,360
Average revenue per User (ARPU)(in ₹)	999	828	547
Marketing and advertisement (₹ in thousand)	46,796.14	8,886.41	2,634.08
75% of marketing (₹ in thousand)	35,097.11	6,664.81	1,975.56
Cost of Acquisition per Client ("CAC")	2,029.63	1,325.17	1,646.30

### Financial metrics

Set out below are certain salient financial metrics from our Restated Financial Statements.

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue (₹ in thousand)	19,659.03	4,551.95	709.43
Revenue growth (%)	331.88	541.63	740.56
EBITDA* (₹ in thousand)	(82,202.44)	(24,540.16)	(4,479.40)
EBITDA Margin %**	(418.14)	(539.11)	(631.41)

\*Sum of profit before tax, depreciation and amortization, interest on borrowings and finance cost.

\*\*EBITDA / Revenue from operations.

#EBITDA / Capital employed i.e. Shareholders equity plus non-current liabilities

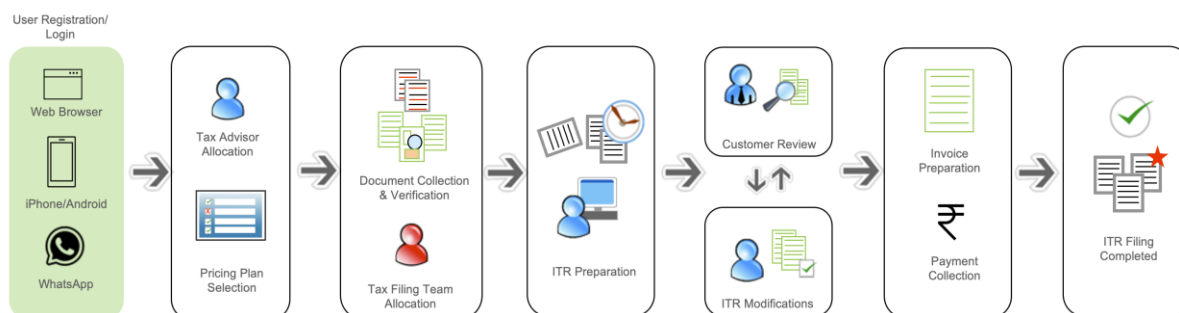
##PAT / Shareholder's equity.



## Our Strengths

### *i. Seamless filing services compatible on multiple delivery channels offers ease of access*

Our technology platform, TaxBuddy is backed by Artificial Intelligence (“AI”) which forms the core backend engine, offering seamless User experience. It offers services and solutions through various modes, viz, mobile application, browser and WhatsApp which provides ease of access to its Users, Subscribers and Tax Experts.



*The above image represents the ITR filing process*

TaxBuddy Users can interact with Tax Experts using any of the communication channels and share required data and documents using channel of convenience. This ensures quicker process adoption by our Users leading to higher User satisfaction.

### *ii. Mobile first approach driving better User engagement and experience*

We use mobile first approach which encompasses TaxBuddy platforms to be available to Users on mobile (including the mobile App (android and iOS) as well as web browser used on mobile). The speed and flexibility of mobile technology is opening up new avenues for businesses expanding the market. According to Fitch, internet penetration in India grew at a CAGR of 16.5% from 446 million subscribers in 2017 to 825 million subscribers in 2021. The smartphone market in India is expected to reach 1.0 billion smartphone users by 2025. (Source: Fitch Report). We intend to capitalise on this opportunity, by using the mobile-first strategy to reach new Users. This strategy has helped us to deliver our services across multiple delivery channels. As of June 30, 2022, we have acquired 2,20,984 Users using the mobile first strategy.

Our focus is on delivering information and content which is mobile centric, with the aim of making the User journey seamless, with simple and easy-to-understand process flows. This provides better User experiences and enables us to serve User with minimal turnaround time. This approach has also helped us in increasing User reach, gain critical data insights, build strong relationships with Customers.

### *iii. In-house full-stack technology capabilities offering security and third party integration*

Our product features and offerings are technology-driven and underpinned by our in-house technical expertise, culture of application-led innovation, data analytics capabilities and integrated, scalable and sophisticated technology. Since our inception, we have made significant investments in our technology infrastructure leading to a full-stack approach. The platform and capabilities are deployed on robust and resilient cloud infrastructure which is secure and scalable.

Technical expertise of our KMPs have enabled us to develop our platforms in-house for availing our services through various modes, either directly through mobile application or browser-based application accessible on web portals. Our platforms provide real time access to Users to have live interactions with Tax Experts reducing chances of potential fraud and abuse.

Our platforms are developed on most widely used developer technologies and are integrated with our TaxBuddy Backoffice Software backed by AI which provides customised and just-in-time responses to our Customers. We run an integrated product engineering and research team to boost collaboration and speed of output.

As we continue to develop and enhance our own technology stack, we strive to minimize reliance on third parties, offering us cost efficiencies, speed and flexibility.

**iv. *Experienced promoters and management supported by a qualified and experienced employee base***

Our Promoters have a strong academic and professional background with a significant management experience in the industry, including being in the Indian Revenue Service for over 13 years. Our Promoters, have conceptualised, and have been instrumental in formulating, our business model and continue to be involved in different aspects of our business. We believe the leadership and vision of our Promoters have been instrumental in driving our growth since inception and implementing our business strategies. Further, our diversified Board includes certain Directors, with more than 25 years of experience in the financial services industry and related technology services industry.

In addition to our individual Promoters and Directors, our senior management team includes qualified, experienced and skilled professionals who have experience across various sectors. We believe that we have achieved a measure of success in attracting an experienced senior management team with operational and technical capabilities, management skills, business development experience and financial management skills. We believe that the combined strength of our Promoters, Directors and senior management team helps us in expanding our business and gives us a competitive edge across our businesses. For details on the qualifications and experience of our Directors and Key Management Personnel, see “*Our Management*” beginning on page 180. We consider our employees as a key factor to our success. We have a group of skilled personnel and staff. Our dedicated team of employees contributes to building our reputation.

**v. *Subscription plans of our TaxBuddy platform caters to different needs of Subscribers at a reasonably low and affordable cost.***

Our Company offers innovative annual subscription plans which ensures Subscriber stickiness on TaxBuddy platform. The retention rate for Fiscal 2022 and Fiscal 2021 was 49% and 79% respectively. This has ensured repeat business for us year-on-year where the number of renewals each year has been increasing with these plans, Subscribers avail our platform services not only for assistance in filing during a particular period, but across the entire year.

Annual subscription plans offered to Subscribers, through TaxBuddy, includes ITR filing, GST filing, tax planning and tax advisory. The Subscribers can use our AI tools for their tax planning needs throughout the year with the support from Tax Experts. With the inclusion of notice management service in the plan, Subscribers gets the assurance of ITR filing as well as support in case of receipt of any queries from the IT department. Our Tax Experts prepare and file the responses with no additional cost. Additionally, we provide certain free of cost services like tax calculator and direct mutual funds to our Users on our platforms.

We offer affordable pricing plans. Our technology enabled platform has helped us in increasing process automation and digitization in our internal operations. The chatbots have increased operational efficiency by reducing human intervention through Tax Experts. For instance, earlier the queries that required resolution by a Tax Expert can now be resolved by the chatbot. This has given us an advantage in terms of operating leverage, thereby controlling our operational costs.

With multiple plans, Users can select the most appropriate subscription plan applicable for them, at an affordable cost. We offer following pricing plans for TaxBuddy services:

- Salary + house property plan;
- Capital gain plan;
- Business / professional / freelancers plan;
- Capital gain and business or profession plan;
- Future and option plan; and
- Resident having foreign income / NRI / expat plan.

**vi. *One-stop solution for all tax related queries round the year***



According to Fitch, TaxBuddy offers end-to-end taxation services backed by technology to individuals and small businesses in India. TaxBuddy.com has been a pioneer in bringing subscription based annual plans in tax advisory. If the Subscriber files income tax return with TaxBuddy.com, Subscriber gets access to AI based tax planner and notice advisory post filing of income tax return. The tax return filing, tax planning and tax notice compliance covers complete tax life cycle. Subscription based approach helps in providing ‘One Stop Solution’ for all tax related queries round the year. Our reliance on technology makes it possible for us to be able to provide all these services in an efficient manner. For instance, focus on tax advisory automation and AI enabled tool for scientific data analysis to provide accurate tax planning advice. (Source: Fitch Report)

Our Company provides the following types of tax planning and advisory services through its platform:

#### *Direct Tax*

Direct taxes, usually levied on a person’s income are paid directly by taxpayers or an organization to tax authorities of the Government of India. The person or the organization in question cannot transfer this type of tax to another person or entity for payment. The various types of direct taxes levied on citizens by the Government of India are as follows:

- Corporate Tax: The corporate tax is levied on the net profit of domestic firms. At present, companies having gross turnover up to INR 250 crore are liable to pay corporate tax at 25% of the net profit while companies with a gross turnover of more than INR 250 crore are liable to pay the corporate tax at 30%. (Source: Fitch Report) Other types of corporate tax are (i) Minimum Alternative Tax (MAT), which is imposed on ‘zero tax companies’, which typically refer to companies that declare little or no income in order to save tax; and (ii) Securities Transaction Tax (“STT”), which is imposed on the income which the companies get through taxable securities transactions.
- Income Tax: Income tax is calculated as per the provisions of Income Tax Act, 1961 and is directly paid to the central government on an annual basis. The income tax rate depends on the net taxable income or the tax bracket. For the purpose of income tax, there are mainly three types of returns which can be filed:
  - Original return – Original return means the first return filed to report the income of a taxpayer for a taxable year or period, irrespective of whether such return is filed on a single entity basis or a combined basis.
  - Revised return – Revised return is a return which is filed u/s 139(5) as revision for the original return. It is a revision for any omission or mistake made in the filing of that original return.
  - Belated return – An assessee does not file his return within the timelines prescribed in the Income Tax Act but files it after the due date is referred to as a belated return. The due date for filing a belated return is on or before the end of the relevant assessment year.

- Rectification of ITR: If an individual notices a mistake in his submitted ITR, and it has not processed by Centralised Processing Centre (“CPC”), one can submit a revised return.
- Capital Gains Tax: The capital assets of an individual refer to anything owned for personal use or for the purpose of an investment. The capital gains tax is imposed on the income derived from the sale of investments or assets. On the basis of the holding period, capital gain tax is categorized under short-term capital gains and long-term capital gains.

#### *Indirect Tax*

An indirect tax is collected by one entity in the supply chain (usually a producer or retailer) and paid to the government, but it is passed on to the consumer as part of the purchase price of a good or service. The burden of tax payment is on end consumer as they are the ones purchasing the products. Indirect taxes are commonly used and imposed by the government in order to generate revenue. Central Board of Indirect Taxes and Customs is the statutory body in India which deals with the tasks of formulation of policy concerning levy and collection of Indirect taxes.

- GST: Goods and Services Tax (GST) is an indirect tax (or consumption tax) used in India on the supply of goods and services. There are three taxes applicable under this system, (i) CGST, which is the tax collected by the Central Government on an intra-state sale (e.g., a transaction happening within Maharashtra); (ii) SGST, which is the tax collected by the state government on an intra-state sale (e.g., a transaction happening within Maharashtra); and (iii) IGST, which is a tax collected by the Central Government for an inter-state sale (e.g., Maharashtra to Gujarat).
- Service tax: This tax is levied by an entity in return for the service provided by them. The service tax is collected by the Government of India and deposited with them.
- Value Added Tax (“VAT”): This type of tax is levied on any product sold directly to customer and are movable. VAT consists of central sales tax which is paid to the Government of India and state sales tax which is paid to the respective State Government.

#### **vii. *Asset Light Model***

Our business model, by design, is asset-light and our ability to scale up our business requires minimal incremental capital deployment resulting in high operating leverage. We have a strong track record of delivering consistent growth along with high capital efficiency with no debt funding. We have only one property, which is our Registered Office and most of our employees as well as our Tax Experts are working remotely and accordingly, we do not need any dedicated infrastructure. We operate digitally, using automation, AI/ML based automated financial advisory tools, which has helped us improve the operational performance and reducing capex and employee costs. Since most of our software development and financial solutions are digital, developed in-house, thereafter deployed and delivered over the cloud infrastructure, we as a business have a relatively low variable cost base.

#### **viii. *High level of User satisfaction***

TaxBuddy also has over 5,600 google reviews with 4.9 rating on google reviews (*Source: Fitch Report*) When a prospective User scans the search results for a service on public search engines /websites, the business listings that include customer reviews present greater credibility and, naturally, receive more clicks. This helps us generate strong organic growth through word-of-mouth. The retention rate for Fiscal 2022 and Fiscal 2021 was 49% and 79% respectively. This has ensured repeat business for us year-on-year where the number of renewals each year has been increasing. This trust is built based on knowledge and services offered by us to our Users. Our innovative product offerings, subscription based annual service plans has provided a comprehensive tax advisory platform for our Users.

### **Our Strategies**

We will continue to seek opportunities to realize sustainable growth of our business. To achieve this, we plan to focus on the following strategies:

#### **i. *Continue to invest and upgrade our technology***

We are a technology driven company. We have made significant investments in our technology infrastructure, AI development, data analytics capabilities, process automation to strengthen our services and User experience. We believe that we have developed a future ready, scalable platform with tech-enabled infrastructure to meet the requirements of our Users.

Our team is constantly evaluating our technology solutions and our User requirements, to increase the levels of digitization, create new features and services, improve operational efficiency and enhance the levels or automation of processes.

Further, the increase of automation and digitization in our internal operations gives us an advantage in terms of operating leverage, as technology improvement enables us to control our operational costs including employee cost. The chatbots have increased operational efficiency by reducing human intervention through Tax Experts. For instance, earlier the queries that required resolution by a Tax Expert can now be resolved by the chatbot. This has given us an advantage in terms of operating leverage, thereby controlling our operational costs. Going forward, we plan to continue to develop and invest in sophisticated technology to further strengthen our technology infrastructure.

We plan to continuously improve our information technology systems and infrastructure. Since our quality and turn-around time is key to our success and User satisfaction, our technology is constantly being upgraded and we will continue to upgrade our technology. We intend to utilise ₹1,52,205 thousand from the Net Proceeds towards technology upgradation.

We also constantly aim to identify opportunities to implement product improvements and dedicated product engineering and research team to optimise platform features. We plan to continue to drive standardization across solutions using our common platform to reduce implementation times and optimise rollouts for new solutions and upgrade existing implementations.

**ii. *Attract and retain skilled employees to strengthen capabilities***

We consider our employees to be our greatest asset. We are committed to professional development of our employees' and have established a results-driven, performance based and transparent compensation structure, coupled with online training programs and opportunities to participate in challenging development projects, to retain our employees (including our software engineers and Tax Experts) and attract new talent. We believe these initiatives also drive our operational efficiency and productivity gains.

We have a dedicated team whose main object is to conduct hiring of employees by locating and attracting qualified and experienced employees, which we believe is integral to our continued ability to grow our business.

We intend to grow our talent pool of engineers, developers, domain experts, and other IT specialists to drive our innovation and technology strategies, User servicing, as well as meet the increasing User base.

As an additional tool for employee engagement and retention, our Company has implemented ESOP Plan for the employees. For further details on the ESOP plan of our Company, see "*Capital Structure – Employee Stock Option Schemes*" on page 85.

**iii. *Continued marketing campaigns across various platforms***

We are focussed on marketing our products. Our Company has 4,79,106 registered Users for TaxBuddy and 5,455 registered Users for Finbingo as on June 30, 2022. We have spent ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, respectively, on our advertising and promotion expenses in Fiscal 2022, Fiscal 2021 and Fiscal 2020. We have undertaken aggressive marketing initiatives through social media influencers, digital marketing and advertisements on search engines for increasing our User base in the past. Our Subscribers have increased by 1,412% on account of the abovementioned initiatives made towards advertisement and marketing in the last three years. We have also entered into joint marketing program arrangement with a bank for promotion of our products and services on their website and mobile application to the customers of such bank. Further, we have recently entered into an arrangement with an e-commerce company, which provides visibility to our platform, by allowing

placement of our services under a sponsored post, which is one of the means to increase number of visitors on our platform, thereby attracting Users to our platform.

We intend on increasing our digital marketing activities, including, towards (i) engaging social media influencers; (ii) search engine optimization; (iii) social media marketing; and (iv) content marketing for increasing our User base. Apart from earned media which we get from our services reviews and recommendations to shares, reposts, and mentions, we plan to continue paid campaigns which are targeted demographically. This will give us more brand authority, brand loyalty, high conversion rates and increased brand awareness. We intend to utilise ₹6,54,473 thousand from the Net Proceeds towards User acquisition.

Through our User-centric approach, we have created strong brand, which has started getting recognition throughout India, and we anticipate reducing our advertising and promotion expenses.

*iv. Establish collaborations for quicker Customer and User acquisition*

To widen our User base, we have plans to integrate Tax Filing Solutions with HR and platform partners. These tie-ups will be mutually beneficial as partner platform will be able to provide tax services as an additional offering and TaxBuddy will be able to leverage their existing Customer and User base extending our services. We are also in discussion with large corporates for providing TaxBuddy services to their employees.

We currently have MoUs with certain financial services platforms like Axis Securities Limited which seamlessly offer Finbingo's financial advisory services to their clients. As of June 30, 2022, we are providing our automated advisory services through our products, viz, wealth builder, tax planner and portfolio doctor, to the clients of Axis Securities Limited through Finbingo by payment of a referral fee depending on the type of service availed by such client. As of June 30, 2022, we have 872 Users and 51 Subscribers that we have onboarded through the above arrangement. We aim to enter into various tie-ups with similar entities to increase our Customer base and thereby our business.

*v. Strengthening our offerings through product expansion and implied services*

We aim to accelerate product development/offerings for both our platforms. According to Fitch, out of 7.5 crore tax filers for AY 2021-22, more than 7 crore tax payers are individuals with small businesses, professions, free lancers, share transaction income etc. Government of India are taking various steps to increase the number of people under the tax net. (Source: Fitch Report) The Income Tax Department has launched 'project insight' to strengthen the non-intrusive information (relating to transactions and income) driven approach to increasing tax compliance. We believe this will create opportunities to grow our business.

We are also intending to add new value added features such as integration of TaxBuddy application to potential partners which will provide us access to their customers. We are in the process of entering into an arrangement with one of the banks as partners for such an integration where we are intending to provide discounts, gift vouchers and benefits to their customers in collaboration with such partners. We believe this will increase our ARPU considerably. The Central Government has introduced the faceless assessment scheme to provide greater transparency, efficiency and accountability in income tax assessments. This scheme enables tax compliance to be done from anywhere in India as there is no need to go to physical offices of tax department. We believe this will help our current business model as we have engaged Tax Experts all across India who are helping our Users in their tax filings and compliance.

## **Description of our business**

We offer our platform services mainly under two tech enabled platforms, developed in-house:

### **A. TaxBuddy:**

This is an online platform available on mobile app, web browser as well as WhatsApp, which enables our Subscribers to file tax returns (ITR and GST) with the assistance of our tax experts, who are associated with us either as our employees (on permanent as well as temporary basis) or as our external consultants. ("Tax Experts")

Our Company provides the following services through TaxBuddy:

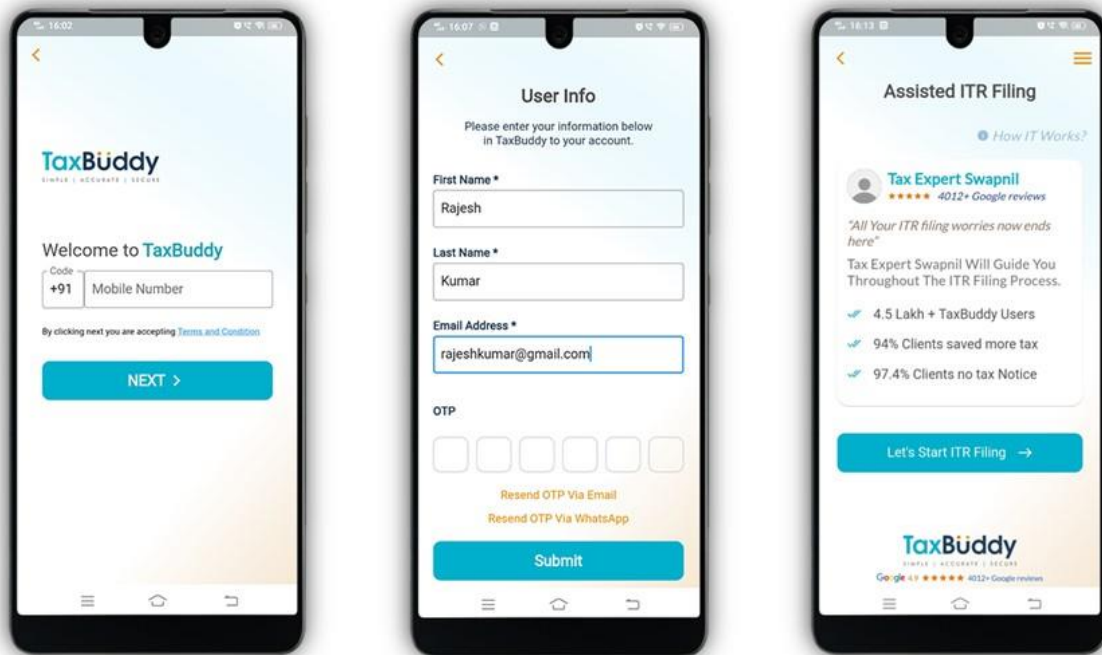
(a) *Assisted ITR and GST Filing*

We assist our Subscribers with preparation of documents and filing of income tax (ITR) and GST returns under guidance of Tax Experts. Our platform is well equipped to allows Subscribers to file ITR under various categories, namely – ITR 1 (Sahaj), ITR 2, ITR 3, ITR 4, ITR 5, ITR 6, and ITR 7. For GST returns, a User has an option to subscribe our plans on quarterly as well as annual basis. Subscribers can seek guidance of Tax Experts in filing of original returns, revised returns, belated returns or rectification of tax returns. Subscribers have access to multiple communications channels like support numbers, web chat, email, WhatsApp, through which Tax Experts provide just-in-time tax advice.

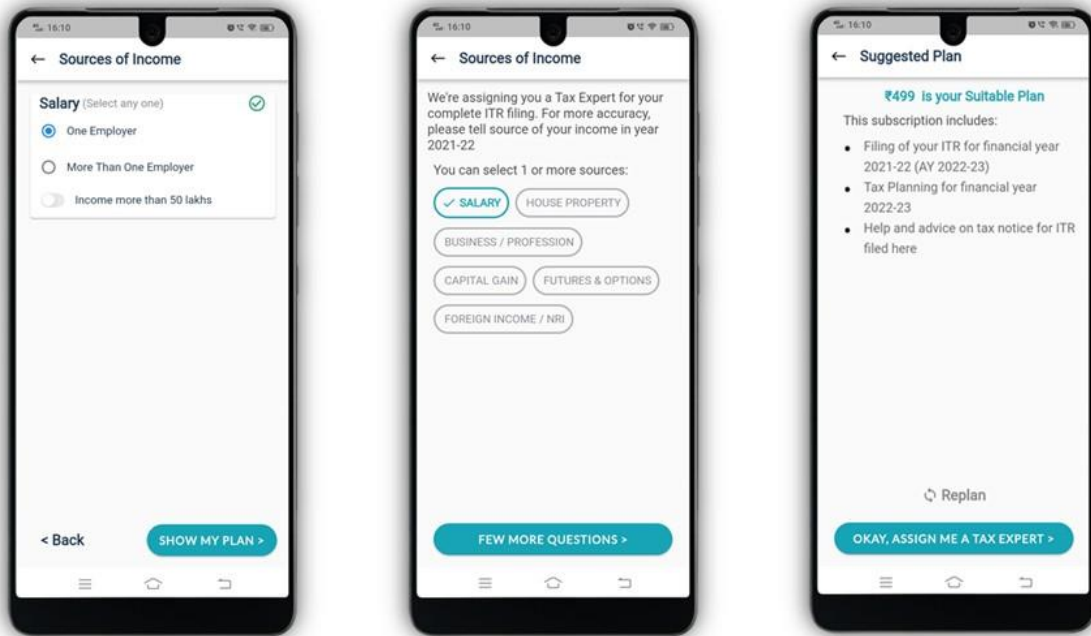
*User interaction cycle*

TaxBuddy platform’s Customer centric process flow ensures, ITR and GST returns are filed seamlessly, ensuring appropriate query resolution from Users and Subscribers, if any, during the tax filing process. The below process flow illustrates ITR filing process:

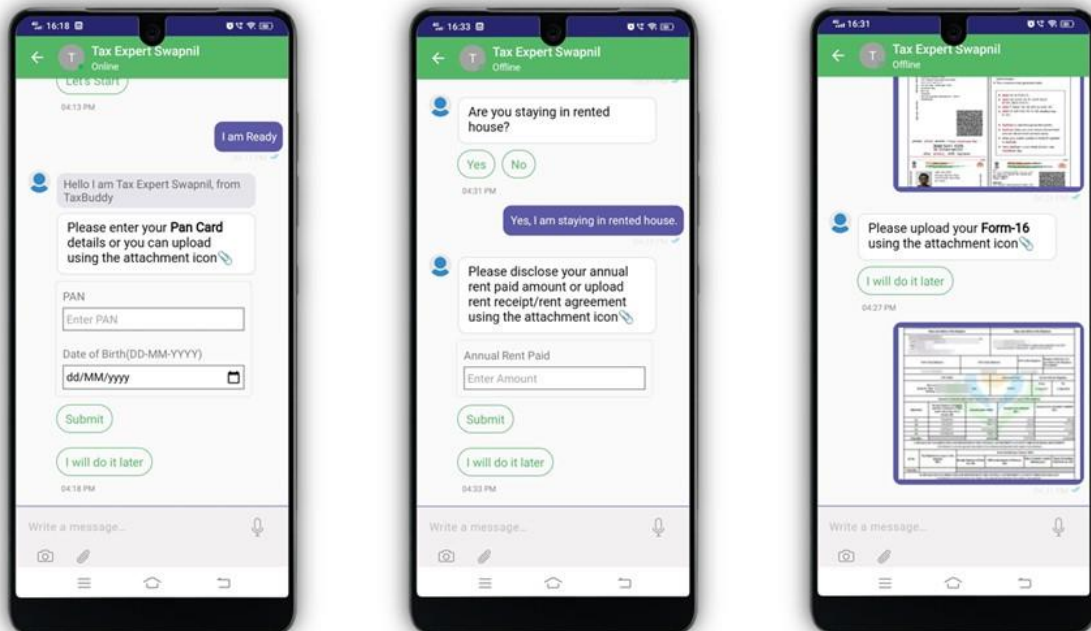
- i. TaxBuddy Users can register on the platform using any one of the channel viz. web browser, mobile application or WhatsApp.



- ii. Post successful registration of the User, a tax advisor is automatically assigned to the User for all the future communications and servicing. Simultaneously, the system also identifies the applicable servicing plan for ITR filing for the User, based on a small questionnaire. During the course of this User interaction as well as the data provided by the User, the ITR plans may get updated appropriately and communicated to the User.

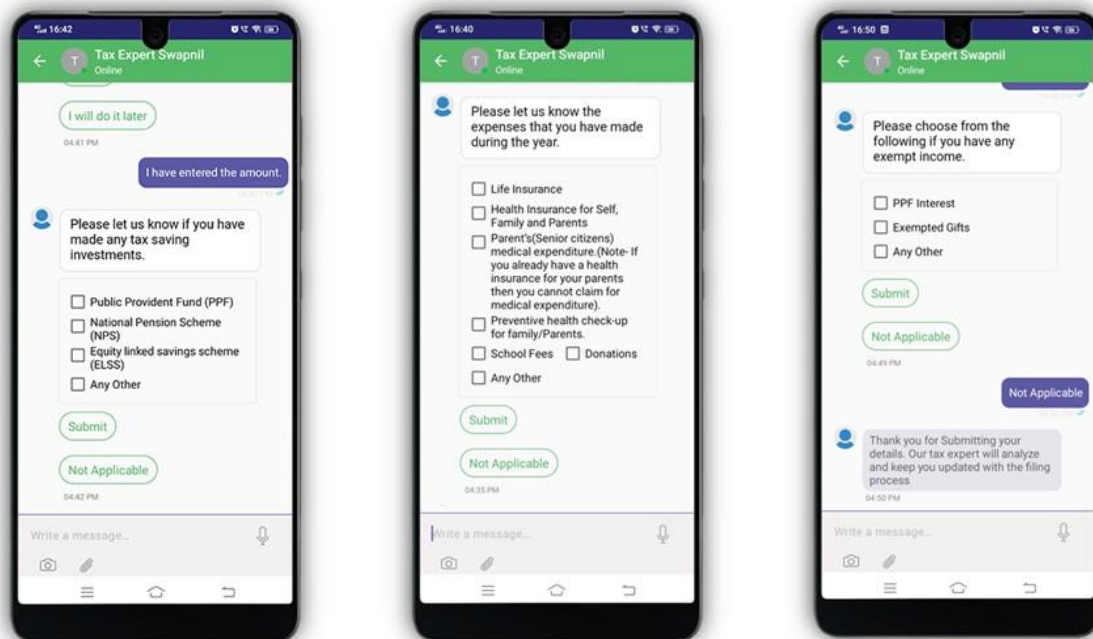


- iii. Once the User subscribes to the plan suggested, TaxBuddy collects all the required information, documents from the User, using intelligent chatbot. At any given point, if the User wants to communicate/talk with the Tax Expert, the assigned Tax Expert can switch to manual chat or get on call with the User. At this step, User is assigned a taxation team to prepare the data for the ITR Return.



- iv. Depending on the type of ITR, the chatbot provides additional option to collect relevant data.





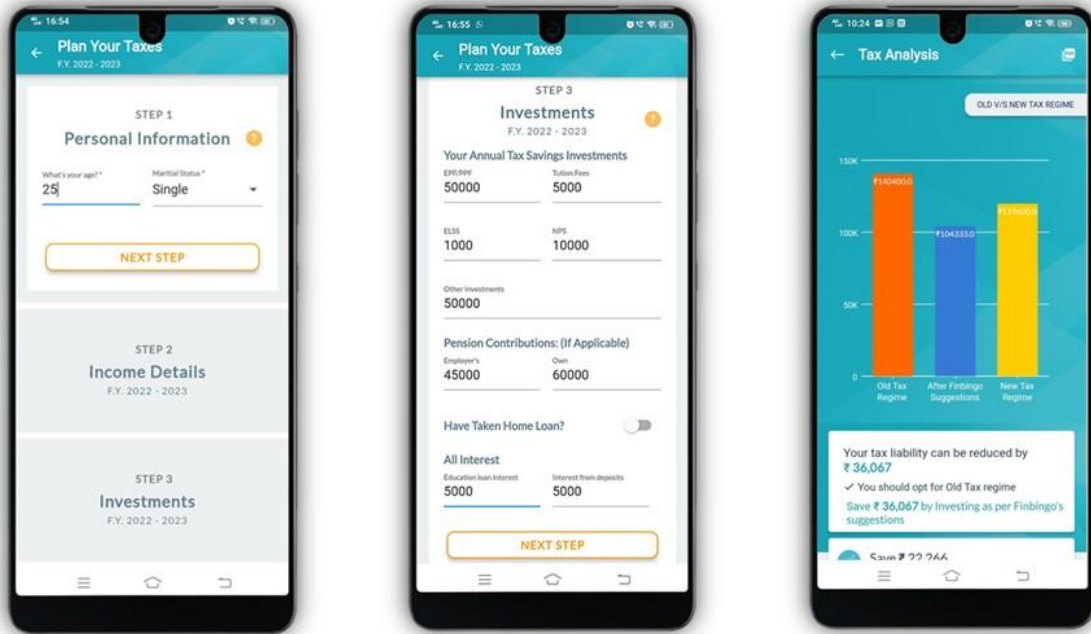
- v. The taxation team prepares the working of ITR based on data and documents provided by the User. At this point, the taxation team utilizes TaxBuddy Backoffice Software to ensure the tax calculations are correct and providing optimal tax saving for the User. These workings are reviewed by the team leads.
- vi. Once the ITR filing summary is ready, it is shared with the User for review and approval. In case of any observations or modifications requested by the User, it is done by the tax filing team and sent back to the User for review.
- vii. After the User provides approval on ITR working, the taxation team prepares the invoice and shares with the User for payment.
- viii. Once the payment is completed by the User, the ITR return is filed with the IT department.

*(b) Tax Planning*

The tax planner is a do-it-yourself (DIY) tool which guides Users for effective tax planning. Income Tax Act comprises of multiple sections and rules which need to be analysed, customized, and applied to individual User based on user's income and planned tax-saving investment. This is to ensure that Users make the right selection of tax saving investments and minimize taxes, while staying within the scope of the law and regulations. The inbuilt intelligence in tax planner aims to minimise tax outflow and ensure maximum wealth creation for the User.

The tax planner has an intuitive User interface which facilitates data entry for the User via step-by-step navigation. The final analysis is shown to User immediately on the screen. The User can download PDF report for offline reference. Additionally, the tax planner also provide comparison of tax outflow based on old and new tax regime.

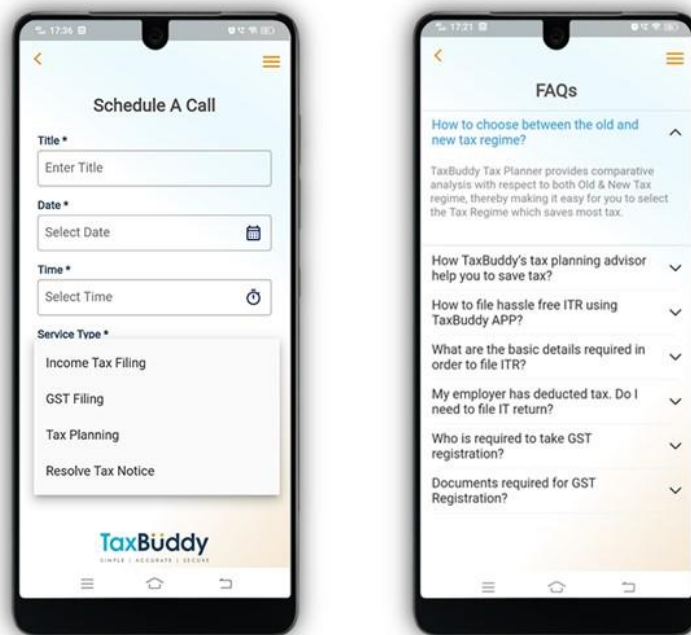
In case User needs any additional details or has queries, they can reach out to the tax advisor via mobile or web application or WhatsApp.



(c) Tax Advisory

TaxBuddy Users are supported by tax advisors for round the year tax advisory to address any additional tax related queries. The Users can simply type the query in chat window to get response or use ‘Schedule a call’ feature to schedule a call with Tax Experts to address the specific queries related to ITR filing, GST, tax planning or tax notices.

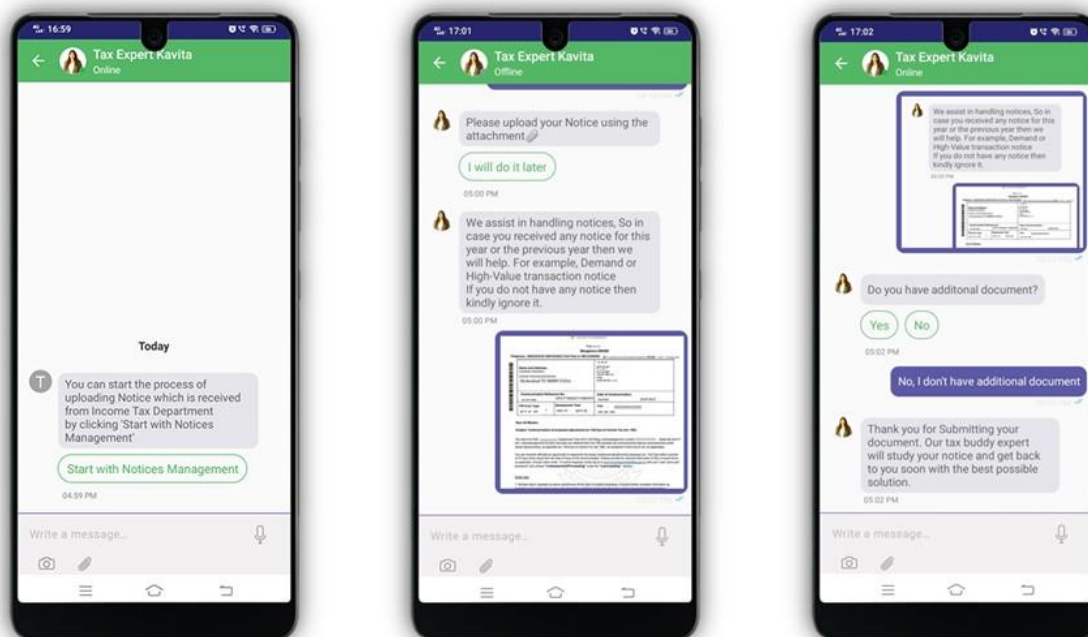
The Users can also refer to the comprehensive FAQ section available on mobile and web application to address the frequently asked queries raised by Users.



(d) Income Tax Notices Management

Based upon the sampling criteria adopted by the Income Tax Department, notices are issued to tax filers upon non-compliance with tax laws. The reasons can be error in filing original return, non or short payment of tax, non-filing or late filing of return etc. Tax Experts helps Customers to understand, ascertain and validate the issue raised by department and respond to the notices properly.

TaxBuddy has developed AI based tools which are used internally in back office, to identify reasons for IT notices automatically and helps the Tax Experts to validate and prepare response to the Income Tax Department with quicker turnaround. The Tax Experts assist Customers throughout the notice life cycle until the issue is resolved and closed.



### *Tax Experts*

Our Company has an asset light model where we connect our Users to our Tax Experts through our platform, TaxBuddy. As of June 30, 2022, we had over 509 Tax Experts located across pan India (including external consultants). Although our Tax Experts have relevant educational background and experience in tax filing, audit and tax calculation, they are required to undergo extensive in-house online training on taxation and other nuances of tax planning before they start assisting our Users.

### *TaxBuddy chatbot*

A chatbot is an AI based software application program designed to simulate conversation with human users, especially over the internet. Chatbots have many advantages including but not limited to providing response 24X7, help optimize costs, improve User satisfaction. With interactive nature of chatbot, it helps Tax Experts to know more about the Users before manually taking control of the conversation. TaxBuddy chatbot initiates an on-line chat conversation with Users and provide initial information to User and gather data related to ITR returns or notice management. These chatbots also help in automated “Schedule a Call” feature.

The increase of automation and digitization in our internal operations gives us an advantage in terms of operating leverage, as technology improvement enables us to control our operational costs including employee cost. These chatbots have increased operational efficiency by reducing human intervention through Tax Experts. For instance, earlier the queries that required resolution by a Tax Expert can now be resolved by the chatbot.

Additionally, we have arrangements with other intermediaries such as digital services providers who provide certain digital services including search engine optimization services, payment gateway operators who facilitate Subscribers payments on our platform.

## **B. Finbingo**

It is an automated online financial advisory platform offering digital financial planning services to Users in achieving their financial goals available to Users via mobile app, browser mode as well as WhatsApp.

Our Company provides the following services through Finbingo:

### *(a) Wealth Builder*

Wealth Builder is a robo advisory tool which has simplified, easy-to-navigate DIY flow. *(Source: Fitch Report)* Based on the User's various parameters, including income, expenditure, age, family, assets and liabilities, risk appetite etc.; it recommends customized financial advice ranging from emergency funds, asset allocation, insurance, retirement etc. *(Source: Fitch Report)* This customized, unbiased advice varies from individual to individual. Being AI-driven, it helps in building a corpus of funds for the future, immediate and long term.

Finbingo Users can view the financial analysis on screen or can avail the facility of downloading the pdf report for offline reading. As wealth builder is an automated AI based tool, Users can revise their financial data multiple times based on updated financials and view the analysis.

Financial Life Goals is a sub-set of a service offered under Wealth Builder. They are goals that are short-term, intermediate, or long-term which forms the basis of a holistic financial plan. It is a target to aim for, when managing money. The Financial goal planning involves saving, spending, earning or even investing.

Wealth builder helps Users in planning and achieving financial goals like retirement, further education, a dream vacation, marriage, a home, a car, kids' education, etc. Using the data provided by the User like assets, liabilities, insurance and pension plans, income, expenses, etc, Wealth Builder creates data points to assess the feasibility of the life goals of the Users.

### *(a) Portfolio Doctor*

Portfolio Doctor is an AI based financial tool which analyses User's mutual fund portfolio and group mutual fund investments in well-performing, non-performing and average performing categories, so that the Users can take appropriate action. *(Source: Fitch Report)*

During the analysis of every fund in the Users' portfolio is passed through our own unbiased performance criteria to deliver the analysis report. The Portfolio Doctor analyses Users' investments at two levels, a) fund level and b) portfolio level. With numerous parameters viz. past performance, expense ratio, diversification, overall asset quality, portfolio performance etc., a holistic analysis helps the User keep the portfolio consistently performing well.

### *(b) Financial Calculators*

The Finbingo financial calculators which are provided to Users (free of cost) helps fine-tune their investment planning, compare tax liabilities for different tax regimes, evaluate financial life goals, or calculate their human life value. Finbingo offers systematic investment plans ("SIP"), goal SIP, human life value, new budget tax regime calculators to the Users.

### *(c) Mutual Fund Platform*

As a registered investment advisor, Finbingo provides financial advisory services to our Users which includes investing in mutual funds and other financial instruments, being one of the best ways to grow money in the long term. Finbingo provides mutual fund investment platform free of charge to our Users. We are a member of BSE StarMF and have integrated Finbingo platform with BSE StarMF platform, which is an automated online order collection system. Accordingly, we provide our Users access to commission free direct mutual funds.

Finbingo provides various reports such as holding report, transaction statement, mutual fund order details, capital gain/loss reports. In addition, our Users get notifications on active/expiring SIP via email as well as WhatsApp. Finbingo platform also shares regular updates on the portfolio performance over email and WhatsApp, so that our Users can keep track of their investments.

(d) National Pension Scheme (NPS)

NPS offers a range of investment options and choice of pension funds for planning the growth of the investments in a reasonable manner and monitor the growth of the pension corpus. Additionally, NPS offers tax benefits under various sections of the Income Tax Act. As part of investment advisory, Finbingo provides recommendation on investment in NPS. To facilitate these investments, Finbingo offers NPS investments via its platform. We facilitate NPS account opening and transactions but do not charge any service fees to the Users.

(e) Tax Planning Advisor

Tax Planning Advisor is an automated tool which Users can use to build investment portfolio, which will take care of tax saving needs, from advice to implementation. By automating the entire process, tax planning is made faster, smarter and more efficient for the User, at a reasonable cost. Our Company has done ground up research and development of this tool which scans thousand of combinations of Income Tax Rules for the Customers and provides optimal investment options.

**Revenue model and subscription plans**

We generate a significant share of our revenue from subscription plans opted by our Users of TaxBuddy. Under this arrangement, we charge a specified fee for each subscription plan availed by the User which is required to be paid only upon completion of service opted. There are various subscription plans depending on the type of filing (ranging from specified service basis to quarterly, bi-annual or annual basis). Generally, Users are eligible to access the complementary services and solutions on TaxBuddy under certain subscription plans which differs for ITR and GST filings. For instance, for a specified service wherein the User has subscribed to a plan for assistance in ITR filing for a particular AY, they get the services of tax solutions and resolution of tax notices, free of charge.

Finbingo provide multiple annual subscription plans for their User. Each of the plan provide access to the Users to the financial planning, tax planning or portfolio analysis services.

**a) ITR Plans:**

Salary and House		Future and Option	Business	
<b>INR499</b> <b>(1 Salary + 1 House Property)</b> <ul style="list-style-type: none"> <li>Single Employer with arrears</li> <li>One House property Income</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Income up to INR5mn</li> </ul>	<b>INR999</b> <b>(&gt;1 Salary + &gt;1 House Property)</b> <ul style="list-style-type: none"> <li>From Multiple Employer</li> <li>More than One property</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Income more than INR5mn</li> </ul>	<b>INR4,999</b> <ul style="list-style-type: none"> <li>Multiple Salary Income</li> <li>Multiple House property Income</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Business and Professional Income (Non- Audit)</li> <li>F &amp; O Income/ Loss (Non- Audit)</li> </ul>	<b>INR1,499</b> <b>(No Balance Sheet No P&amp;L)</b> <ul style="list-style-type: none"> <li>Multiple Salary income</li> <li>One House property Income</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Business and Professional Income (Non- Audit)</li> </ul>	<b>INR1,999</b> <b>(Incl. Balance Sheet and P&amp;L)</b> <ul style="list-style-type: none"> <li>Multiple Salary income</li> <li>One House property Income</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Business and Professional Income (Non- Audit)</li> </ul>
Professional/Freelancer	Capital Gain	Capital Gain & Business/ Profession	Resident having Foreign Income	NRI/ Expat
<b>INR1,499</b> <ul style="list-style-type: none"> <li>From Multiple Employer</li> <li>One House Property Income</li> <li>Income From Other Sources</li> <li>Exempt Income</li> <li>Professional / Freelancing Income (Non-Audit)</li> <li>Income up to INR5mn</li> </ul>	<b>INR1,999</b> <ul style="list-style-type: none"> <li>Multiple Salary Income</li> <li>Multiple House property Income</li> <li>Income from Other sources</li> <li>Exempt Income</li> <li>Multiple Capital Gain Income</li> </ul>	<b>INR3,499</b> <ul style="list-style-type: none"> <li>Multiple Salary Income</li> <li>Multiple House property Income, capital gain and Other sources</li> <li>Exempt Income</li> <li>Business and Professional Income (Non- Audit)</li> <li>NRI having capital gain</li> </ul>	<b>INR3,999</b> <ul style="list-style-type: none"> <li>Multiple House property Income and from Other sources</li> <li>Exempt income</li> <li>Foreign Salary and Relief claiming</li> <li>Sale of Foreign Security-Earn Capital Gain</li> <li>Having Overseas Business</li> </ul>	<b>INR3,999</b> <ul style="list-style-type: none"> <li>Multiple House property Income</li> <li>Income from Other sources</li> <li>Exempt income</li> <li>From Multiple Employer</li> </ul>

## b) GST Plans:



## c) Finbingo Plans



\*Including GST

## Our Collaborations

We currently have MoUs with certain financial services platforms like Axis Securities Limited which seamlessly offer Finbingo's financial advisory services to their clients. As of June 30, 2022, we are providing our automated advisory services through our products, viz, wealth builder, tax planner and portfolio doctor, to the clients of Axis Securities Limited through Finbingo by payment of a referral fee depending on the type of service availed by such client. As of June 30, 2022, we have 872 Users and 51 Customers that we have onboarded through the above arrangement.

We have also entered into an arrangement with an e-commerce platform that provides access to the merchants/firms using this platform, where we provide tax compliance services and other services to their customers through TaxBuddy.

## Sales and marketing

The innovative tax advisory and planning service offerings of our platform and the benefits that our Users get, serve as our most effective marketing tool. This has helped us generate robust organic growth through word-of-mouth.

We also use paid marketing efforts to attract new Customers and retain existing ones. We use online brand promotion and marketing channels like social media influencers, digital marketing and advertisements on search

engines. Using our strong data analytics capabilities, we analyze the main characteristics of our target customer group, based on which we develop targeted marketing campaigns and place advertisements on widely used search engines to reach a large viewership. We engage in a variety of different sales and marketing efforts designed to enhance our brand recognition. We have spent ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, respectively, on our advertising and promotion expenses in Fiscal 2022, Fiscal 2021 and Fiscal 2020.

#### *Search Engine Marketing*

Most of our Customers use search engines to help in product/service research before making purchase decision. We primarily use public search engines/ websites for search engine marketing to promote TaxBuddy.com website for increasing visibility in search engine results pages. Based on in-house research on keywords, the search campaigns are fine tuned to maximize User conversion.

#### *Social Media Marketing*

We extensively use social media platforms to promote our brands. This gives us opportunity to reach out to our existing and prospective Customers to build our brand, increase sales, and drive website traffic.

#### *Influencer marketing*

Our Company engages social media influencers to promote TaxBuddy. With regular posts, reviews, stories, and videos by influencers, we are able to attract market for TaxBuddy and thereby increase our Customer base.

### **Human Resources**

We have a group of dedicated, committed and skilled personnel and staff. We consider our human resource as a critical factor to our success and engage in a human resource strategy that focuses heavily on recruiting, training, and retaining our employees, as well as offering them competitive compensation. We hire qualified specialists across all functional areas, who help execute our vision. These specialists are also expected to focus on innovation, and support the business with new technology, practices, and processes. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees, such as leave policy and travel allowance.

As of June 30, 2022, our Company had 174 permanent employees and 357 temporary employees. The department wise break-up of such personnel are as follows:

<b>Department</b>	<b>Permanent employees</b>	<b>Temporary employees</b>
Management	4	-
Product engineering and research	8	-
Product operations	11	-
Product testing	4	-
Taxation	142	357
Finance	1	-
Sales and Marketing	2	-
Human Resources and Administration	2	-
<b>Total</b>	<b>174</b>	<b>357</b>

### **Research and development**

Our platforms have been developed inhouse by our developers, product engineering and research, product operations and product testing teams.

In order to attract and retain Customers and compete against our competitors, we continue to invest significant resources in research and development to enhance our information technology and improve our existing services.

TaxBuddy

*TaxBuddy BackOffice Software:*

TaxBuddy Backoffice Software is the core engine, developed in-house and used by our Tax Experts to service our Users. This software helps in capturing and consolidating taxation data of Users, analyse and automate the tax calculations and ultimately help Tax Experts to file ITR for our Subscribers. This application also helps in effective communications with Users across various channels. Our product engineers have matured this application over the course of years for better usage and productivity.

#### *Tax Planner:*

Tax Planner is an automated tool which Users can use to build investment portfolio, which will take care of tax saving needs, from advice to implementation. By automating the entire process, tax planning is made faster, smarter and more efficient for the User, at a reasonable cost. Our Company has done ground up research and development of this tool which scans thousand of combinations of Income Tax Rules for the Customer and provides optimal investment options.

#### *Finbingo:*

#### *Wealth Builder:*

Wealth Builder is an AI-driven, simplified, easy-to-navigate financial planning tool, which helps User understand their financial strength, build a corpus of funds for future and evaluate financial goals. The wealth builder has been built using AI based algorithm to assess financial health of the User and recommend investments based on their financial position. The Users receive a comprehensive pdf report on financial analysis.

#### *Portfolio Doctor:*

The Portfolio Doctor is an innovative tool which automates analysis of mutual fund portfolio. The Users can analyse their portfolio just by sharing consolidated account statement and get thorough analysis of performing and non-performing funds, get buy, sell, hold decisions on existing investment and also get an advise on alternate better performing funds. Users of Portfolio Doctor can monitor performance of their portfolio continuously and also get an alert on any significant changes to the portfolio.

### **Technology and Infrastructure**

We are a technology and data driven company driven by in-house technical expertise, innovation, data analytics capabilities, AI to continuously drive innovations on our platform and deliver superior experience for our Customers. We have actively invested in information technology as it is fundamental to our platform and service offering. We develop our platforms in-house, using our internal information technology infrastructure. The TaxBuddy and Finbingo platforms are hosted on cloud provided by third-party cloud services provider.

With the use of AI applications and algorithms, we have developed capabilities in ITR processing, tax advisory, back office process automation, portfolio advisory and quality digital consumer services. Our engineers are continuously innovating features and service offerings, to enhance our value proposition to a seamless experience for our Customers.

Since inception, our Company has made significant investments in design and development of technology infrastructure to deliver value for money to its Users. TaxBuddy's profitability and competitiveness are, to a good extent, dependent on its ability to automate processes, ensuring Users gets services in a cost-effective and timely basis.

#### *Platform technology stack*

Our product technological framework is built using microservice architecture – a variant of the service-oriented architecture structural style. In this type of architecture, services are fine-grained and the protocols are lightweight, enabling rapid, frequent and reliable delivery of large, complex applications.

Our end-to-end technology stack is hosted on an online cloud infrastructure which enables us to process large amounts of data, execute complex AI based algorithms, support real-time information flow and sustain performance in periods of high network traffic with a negligible risk of downtime, leading to improved operational efficiency.



Designed for scalability and flexibility, our technology infrastructure provides 24x7 service that enables us to deliver the stability needed to support the high volume of transactions conducted on our platform. Our platform architecture has flexibility in adding or removing modules, and speeds up the deployment of new capabilities, features and functionalities. Additionally, our platform is built on distributed computing architecture so that a single point of failure will not cause the entire system to fail. This makes our platform both highly stable and easily scalable.

The product engineering and research team uses certain open source development languages and frameworks and data base. Coupled with an array of third party products and tools for communication, data logging, design, project tracking etc, the product engineering and research team ensures that the products are in continuous development and upgradation process providing new and enhanced features to its Users.

As part of disaster recovery plan, we also backup our data at regular intervals. These backups are done hourly, daily, weekly with specific retention period. In addition, we also keep multiple copies of data across different primary and secondary availability zones/data centres.

### *Artificial Intelligence*

Our platform uses AI based technology which has helped us in maturing our proprietary tools like tax planner, wealth builder, portfolio doctor which are developed in-house. Use of AI enables us significantly to minimize human intervention required to process and analyze tax planning data, or evaluation of investment portfolio of the User. The chatbots which are implemented for intelligent interaction with Customers, helps maximize productivity of the Tax Experts and significantly improve User experience, and reduces our operating expenses.

### **Data Privacy**

As our business depends on our User's trust in us and our platform, we are committed to protecting our Users' data. We are committed to maintaining a secure online platform, as data protection and privacy are critical to our business. Our products and services operate based on data provided by our Users for analysis and advise. Our privacy policy is designed to help our Users understand how we may collect, process, store and use the information they provide to us and to assist them in making informed decisions while using our services.

We adhere to strict data protection policies and have a privacy-by-design approach. We have also adopted a strict access control mechanism to ensure implementation of need-to-know principles and to protect User privacy while meeting business requirements.

Our products life cycle is designed to enable User privacy and control over their data. In addition, we employ a variety of technical solutions to prevent and detect risks and vulnerabilities in User privacy and data security, such as encryption, firewall, vulnerability scanning and log files. All the data store and software services are behind firewall, with VPN setup for network security. Data at rest in all data stores is encrypted and data in transit is encrypted and served via https protocol. We do not share any input data from our Users or any User insight data with third parties or allow third parties to access User data stored on our servers. We design our platform, offerings, and policies to facilitate compliance with evolving privacy and data security laws and regulations in India.

We post on our website our privacy policies, and we maintain certain other policies and practices relating to data security and concerning our processing, use, and disclosure of personal information. All our employees and our consultants have signed non-disclosure agreements which ensures confidentiality of our Company as well as our User data.

### **Insurance**



We do not maintain insurance coverage for our Registered Office. For further details, please see "*Risk Factors – Our Registered Office is not insured and if we incur any loss/damage to the premises it would have an adverse effect on our financial conditions, results of operation and cash flows*" on page 35.

We provide free accidental insurance policies to our Subscribers as a part of value added services with the subscription plans offered through TaxBuddy, for which we have availed a group total protect policy with one of the insurance companies.

## Intellectual Property

Our intellectual property rights are important to our business. As on the date of this Draft Red Herring Prospectus, we have registered our domain name, <https://www.ssbainnovations.com/>. We have registered our brand names, ‘TaxBuddy’ and ‘Finbingo’ under the Trademarks Act with the Trade Marks Registry, Mumbai which are platforms that provides online consultancy and filing service. The details of both the Trademark are provided below:

Sr. No.	Application Number	Class	Logo	Status
1.	3812072	45		Valid up to April 20, 2028
2.	3673455	36		Valid up to November 9, 2027

Our Company has made an application dated July 14, 2022 with the Trademark Registry, Mumbai for the registration of  of our Company. Further, our Company has applied for registration of trademark bearing application number 5543490 for registering the new logo of our platform, TaxBuddy,  of our Company. For further details, see “Government and Other Approvals” beginning on page 293. For further details, see “Risk Factors – We operate our business through our logo which is not registered with the Trademark Registry. Further, any inability to protect our intellectual property or know-how from third party infringement may adversely affect our business and prospects ” on page 35.

## Competition

We operate in a competitive environment, and we expect to face greater competition from our existing competitors. We believe that the solutions we provide to our Customers across different offerings reflect our deep understanding of our clients’ businesses, the differentiated nature of our data and the quality of our analytics and decision making capabilities. The integration of our solutions into our clients’ mission critical workflows helps to ensure long-lasting relationships, efficiency, and continuous improvement. Some of our key competitors are MyITreturn, ClearTax, Scripbox, FundsIndia, Fisdcom. (Source: Fitch Report).

## Properties

We operate our business through our Registered Office which has been taken on leave and license basis from our Group Company, viz, Emphyrean Cashews Limited *vide* agreement dated September 18, 2020 and the same is valid till August 31, 2023. For further details, see “Risk Factors Our Registered Office is owned by our Group Company from whom we have taken on leave and license basis. There can be no assurance that the leave and license agreement will be renewed upon termination or that we will be able to obtain other premises on leave and license on same or similar commercial terms” on page 35.

## Impact of Covid-19 on the business of the Company

Since the onset of COVID-19 pandemic in calendar year 2020, we have recorded positive cases within our business, including some of our KMPs and employees.

In response to the COVID-19 pandemic, we have taken active measures to promote health and safety and social distancing efforts, including health and safety measures such as executing work-from-home arrangements for all of our employees during the lockdown.

Our Company was already using web-based collaboration tools as well as internally developed tools like back office, and customer support engagement systems, which were all web based, making it very easy to be accessible from home for all employees of our Company, including Tax Experts on the payrolls of our Company.

Further, our business did not have any adverse implication on account of Covid-19 as the User’s adaptation of online services in general and specifically for tax filings increased during Covid-19 and the overall cost of operations with Tax Experts working from home reduced in terms of office infrastructure and computing resources. This helped us scale across pan India due to work from home arrangements covering multi-lingual and regional support.

## KEY REGULATIONS AND POLICIES

*The following is an overview of the relevant sector specific laws and regulations which are applicable to our business and operations in India. The information of laws and regulations available in this section has been obtained from publications available in the public domain and is based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, or judicial decisions. The description of laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details regarding the registrations and government approvals obtained by our Company, see “Government and Other Approvals” beginning on page 293.*

### **I. Laws applicable to our business**

#### **(i) Information Technology Act, 2000 (“IT Act”)**

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

The Information Technology (Amendment) Act, 2008, which amended the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

#### **(ii) Information Technology (Reasonable Security Practices and Procedures And Sensitive Personal Data Or Information) Rules, 2011 (“SPDI Rules”)**

The SPDI Rules have been incorporated under section 43A of the IT Act and provides for a framework which shall be followed by body corporates who store, own, control or operates with the personal data of persons. The body corporate or any person who on behalf of the body corporate collects, receives, possess, stores, deals or handles information of provider of information, shall provide a privacy policy for handling of or dealing in personal information including sensitive personal data or information and ensure that the same are available for view by such providers of information who has provided such information under lawful contract. Such policy shall be published on website of body corporate or any person on its behalf and shall provide for (i) clear and easily accessible statements of its practices and policies; (ii) type of personal or sensitive personal data or information collected; (iii) purpose of collection and usage of such information; (iv) disclosure of information including sensitive personal data or information; and (v) reasonable security practices and procedures.

#### **(iii) Personal Data Protection Bill, 2021 (“Data Protection Bill”)**

The Bill, which proposes to supersede certain provisions of the Information Technology Act, 2000 deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India.

On December 16, 2021, the Joint Parliamentary Committee submitted its report to the Indian Parliament after two years of deliberations on the Bill. The scope of the Bill has undergone an expansion and will now cover both personal and non-personal data.

#### **(iv) SEBI (Investment Advisors) Regulations, 2013 (“IA Regulations”)**

The IA Regulations was notified on January 21, 2013 and came into effect from April 21, 2013. The IA Regulations specify, *inter alia*, conditions for registration, certification, capital adequacy, risk profiling and suitability, disclosures to be made, code of conduct, records to be maintained, manner of conducting inspection, etc. As per the IA Regulations, no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from SEBI. The IA Regulations specify the eligibility criteria and exemption from such registration along with the period of validity, renewal procedure and other conditions. The IA Regulations further provides for obligations and responsibilities of an investment adviser along with the penalties for non-registration, failure to furnish information and any default of obligations under the regulations. SEBI also reserves the right of inspection under the IA Regulations.

**(v) Electronic Furnishing of Income Scheme, 2007 (the “Scheme”)**

The Scheme governs the functions of an e-Intermediary in the process of filing the e-returns for individuals that wish to avail of tax filing services. The Scheme defines an e-Return Intermediary to be a person authorised to be an e-Return intermediary under the Scheme and specifies the qualifications that an e-Return Intermediary shall have along with the authorisation process that it shall follow. The Scheme provides for the responsibilities of the e-Intermediary which extends to, *inter alia*, (i) ensuring that the individual is an eligible person under this Scheme; (ii) ensuring that the paper return of income has been properly filled in and duly verified by the individual, and the enclosures required to be filed with the return of income are enclosed; (iii) ensure accuracy of the data entry while transcribing the return of income and during its transmission; (iv) ensure that the electronic portion of the return of income is transmitted on or before the due date for filing the return of income. Moreover, it provides that the e-Intermediary has (i) security procedure in place to the satisfaction of the e-Return Administrator to ensure that confidentiality of the individuals information is maintained. (ii) and has in place the necessary archival, retrieval and security policy for the e>Returns which will be filed through them, as decided by the e-Return Administrator from time to time.

**(vi) Consumer Protection Act, 2019 (the “Consumer Protection Act”)**

The Consumer Protection Act was enacted to provide for better protection of the interests of consumers and for the purpose of making provisions for the establishment of Consumer Protection Councils and other authorities for the settlement of consumer disputes, etc. The Consumer Protection Act aims to promote, protect and enforce the rights of consumers; make interventions when necessary to prevent consumer detriment arising from unfair trade practices and to initiate class action including enforcing recall, refund and return of products, etc. The Consumer Protection Act, in the larger interest of the consumers, provides for establishment of dispute redressal commissions at the state and the national level. Moreover, it provides for penalties for non-compliance of central authority directions, false or misleading advertisements, sale or storing, selling or distributing or importing products containing adulterants or spurious goods. It also provides for measures to prevent unfair trade practices in e-commerce, direct selling, etc. and grants power to the central government to give directions and make rules.

**II. Intellectual Property laws**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

**(i) The Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law

relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

**(ii) Copyright Act, 1957**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “**Copyright Laws**”) serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of sixty years following, the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

**(iii) The Patents Act, 1970**

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

**III. Labour related legislations**

We are required to comply with certain labour laws, which includes the following:

- a) The Payment of Gratuity Act, 1972;
- b) The Payment of Bonus Act, 1965;
- c) The Maternity Benefit Act, 1961;
- d) State wise Shops and Establishment Act;
- e) The Employees’ State Insurance Act, 1948;
- f) The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; and
- g) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes namely, (i) the Code on Wages, 2019 which will repeal the (a) Payment of Bonus Act, 1965; (b) Minimum Wages Act, 1948; (c) Equal Remuneration Act, 1976; and (d) Payment of Wages Act, 1936; and (ii) the Code on Social Security, 2020 which will repeal certain enactments including the (a) Employee’s Compensation Act, 1923; (b) Employees’ State Insurance Act, 1948; (c) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; (d) Maternity Benefit Act, 1961; Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; and (f) Payment of Gratuity Act, 1972.

While section 142 of the Social Security Code, 2020 and certain aspects of The Code on Wages, 2019, have been notified, the vast majority of the codes are yet to come into force as on the date of this Draft Red Herring Prospectus.

#### **IV. Regulation of Foreign Investment in India**

Foreign investment in India is governed by the provisions of FEMA and the rules and regulations framed thereunder along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

##### **(i) FEMA and Regulations framed thereunder**

The FEMA Non-Debt Instruments Rules were in 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 334.

##### **(ii) The Consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)**

The Department for Promotion of Industry and Internal Trade (“DPIIT”), Ministry of Commerce and Industry on October 15, 2020 issued Consolidated FDI Policy. The Consolidated FDI Policy lays down certain guidelines and conditions for foreign direct investment in the Other Financial Services sector. It provides that 100% FDI under automatic route is permitted.

#### **V. Other laws**

##### **(i) The Companies Act, 2013**

The Companies Act along with the relevant rules, clarifications and modifications made thereunder deals with the incorporation of companies, the procedure for incorporation and governance and regulation of companies post incorporation.

##### **(ii) Taxation laws**

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- a) Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;

- b) Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;
- c) The Integrated Goods and Service Tax Act, 2017;
- d) Professional Tax state-wise legislations; and
- e) Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

**(iii) Competition Act, 2002 (the “Competition Act”)**

The Competition Act is an act to prevent practices having an adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India (“CCI”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interests of consumers and ensure freedom of trade. The CCI shall issue notice to show cause to the parties to combination calling upon them to respond within thirty days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the CCI and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may exceed to ₹1,00,000 for each day during such failure subject to maximum of ₹1,00,00,000, as the CCI may determine.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as 'SSBA Innovations Private Limited' in Mumbai, Maharashtra on August 14, 2017 as a private limited company under the Companies Act issued by the RoC. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on May 09, 2022 and consequently, the name of our Company was changed to its present name 'SSBA Innovations Limited' and a fresh certificate of incorporation dated May 23, 2022 was issued by the RoC to our Company.

### Change in the Registered Office

There has been no change in our Registered Office since our incorporation.

### Main object of our Company

The main objects contained in the Memorandum of Association of our Company are set forth below:

- 1. To carry on the business of consultants in all fields, including the direct & indirect taxation, portfolio advisory services and mutual fund-advisory and distribution, life; non-life insurance advisory and distribution, risk management services portfolio advisory related to equity, debt, IPO's, FD's, bonds and a membership of exchange subject to the regulatory norms and provision and as provided in the rules, regulation, bye laws and circular of exchange. To create a technological platform to facilitate the rendering of various advisory services.*
- 2. To carry on the business as shares and stocks brokers, traders, underwriters, agent for subscribing to and for sale and purchase of securities, stocks, shares, debentures, debenture stock, bonds, units or certificates of mutual funds, savings certificates, commercial paper, government securities or other financial instruments or obligations of any body corporate, authority whether central or local undertaking whether public or provisional documents relating thereto, insurance advisory services, to act as managers to the issue of any of the securities aforesaid and to promote the formation and mobilisation of capital, to apply for and become member of any stock exchange, NSE/BSE or any other bolt/opening of depository.*
- 3. To provide advisory services trade consultancy and counselling services and facilities of every description capable of begin provided by share and stock brokers, share and stock jobbers, share dealers, investment fund managers, corporate consultant, corporate advisors, and to arrange and sponsor public and private issues or placement of shares and loan capital and to negotiate and undertake such issues.*
- 4. To supply for and become a corporate member of any stock exchanges or Over The Counter Exchange (OTCE), National Stock Exchange (NSE) of India, the stock exchange Mumbai, inter connected stock exchange if permissible by law and to acquire membership of MCX stock exchange or any other stock exchange for carrying on business as a stock broker on any or all segments of such stock exchange, to act as a sub-broker affiliated to any stock broker, or to become member of any clearing corporation or clearing house of any stock exchange.*

The main objects to be pursued by our Company along with the objects incidental or ancillary to the attainment of the main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

### Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association from the date of incorporation of the Company:



<b>Date of Shareholders' resolution</b>	<b>Amendments</b>
November 27, 2017	Clause 4 (A) of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹1,00,000 comprising of 10,000 Equity Shares of ₹10 each to ₹1,00,00,000 comprising of 10,00,000 Equity Shares of ₹10 each*
March 07, 2018	Clause 4 (A) of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹1,00,00,000 comprising of 10,00,000 Equity Shares of ₹10 each to ₹1,10,00,000 comprising of 11,00,000 Equity Shares of ₹10 each.
August 24, 2018	Clause 4 (A) of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹1,10,00,000 comprising of 11,00,000 Equity Shares of ₹10 each to ₹3,00,00,000 comprising of 30,00,000 Equity Shares of ₹10 each.
August 27, 2019	Clause 4 (A) of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹3,00,00,000 comprising of 30,00,000 Equity Shares of ₹10 each to ₹4,00,00,000 comprising of 40,00,000 Equity Shares of ₹10 each.
April 09, 2019	The main objective clause of the Memorandum of Association was amended to reflect insertion of new clause III(A) after the existing clause II of the Memorandum of Association.
September 22, 2019	Clause 4 (A) of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹4,00,00,000 comprising of 40,00,000 Equity Shares of ₹10 each to ₹6,00,00,000 comprising of 60,00,000 Equity Shares of ₹10 each.
March 05, 2020	Clause 5 of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹6,00,00,000 comprising of 60,00,000 Equity Shares of ₹10 each to ₹8,00,00,000 comprising of 80,00,000 Equity Shares of ₹10 each.
October 12, 2021	Clause 5 of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹8,00,00,000 comprising of 80,00,000 Equity Shares of ₹10 each to ₹8,25,00,000 comprising of 82,50,000 Equity Shares of ₹10 each.
November 23, 2021	Clause 5 of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹8,25,00,000 comprising of 82,50,000 Equity Shares of ₹10 each to ₹9,50,00,000 comprising of 95,00,000 Equity Shares of ₹10 each.
April 12, 2022	Clause 5 of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹9,50,00,000 comprising of 95,00,000 Equity Shares of ₹10 each to ₹12,50,00,000 comprising of 1,25,00,000 Equity Shares of ₹10 each.
May 24, 2022	Clause 5 of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹12,50,00,000 comprising of 1,25,00,000 Equity Shares of ₹10 each to ₹14,00,00,000 comprising of 1,40,00,000 Equity Shares of ₹10 each.

\*There were some attachments that were missing in the RoC form that was filed for the increase in share capital, which was rectified by our Company by filing relevant RoC Form. For further details, see "Risk Factor – Certain of our corporate filings and records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 31.

### Major events and milestones of our Company and the Business

The table below sets forth the key events and milestones in the history of our Company and the Business:

<b>Calendar Year</b>	<b>Events and Milestones</b>
2017	Incorporation of our Company as a private limited company, with the name 'SSBA Innovations Private Limited'.
2018	Incorporation of our Subsidiary.
2019	Beta launch of TaxBuddy.*
2020	Commercial launch of TaxBuddy.*
2020	Beta launch of Finbingo.*
2021	MoU for Finbingo with Axis Securities Limited.
2021	Achieved more than 3,56,000 registered Users on TaxBuddy.

Calendar Year	Events and Milestones
2022	Obtained a Type-2 e-return intermediaries registration.
2022	Divestment from our Subsidiary.
2022	Commercial launch of Finbingo.*
2022	ISO 9001:2015 certificate for quality management system for providing AI based automated platform for service for filing of tax returns and wealth management by two module as taxbuddy.com and finbingo.com.

\*(Source: Fitch Report)

#### **Key awards, accreditations or recognitions**

Our Company has not received any key awards, accreditations and recognitions.

#### **Our holding company, subsidiaries, associates and joint ventures**

As on the date of this Draft Red Herring Prospectus, our Company does not have any holding company, joint ventures or associates.

Our Company had a Subsidiary, SSBA Insurance Broker Private Limited as of March 31, 2022 which is reflected in the Restated Financial Statements for the financial year ended March 31, 2022. Our Company divested its investment in equity shares from our Subsidiary on May 11, 2022. Accordingly, as on the date of this DRHP, our Company does not have any subsidiary.

#### **Time/cost overrun**

In the past, we have not experienced any time or cost overruns in relation to implementation of our projects since incorporation.

#### **Defaults or rescheduling/restructuring of borrowings with financial institutions/banks**

Our Company has not defaulted on repayment of any loan availed from any banks, financial institutions, body corporate or persons.

#### **Launch of key products or services, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets**

For details of key products or services launched by our Company, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see “*Our Business*” beginning on page 150.

#### **Mergers or amalgamation**

Our Company has not undertaken any merger, demerger or amalgamation since its incorporation till the date of this Draft Red Herring Prospectus.

#### **Details of material acquisition or divestments since incorporation**

Our Company has not made any material acquisitions or divestments of any business or undertaking.

Our Company divested 100% of our stake from our subsidiary, SSBA Insurance Broker Private Limited to Sujit Sudhakar Bangar and Aparna Sujit Bangar with effect from May 11, 2022. However, we did not consider this as a material divestment based on our financials of FY2022.

#### **Financial and/or strategic partners**

We do not have any financial and/or strategic partners as of the date of this Draft Red Herring Prospectus.

#### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

**Details of shareholders' agreements**

There are no subsisting shareholders' agreements as on the date on this Draft Red Herring Prospectus.

**Details of share purchase agreements**

*Share Purchase Agreement dated October 07, 2020 between Sujit Sudhakar Bangar, Atul Umakant Rege, Aparna Arun Morale and associates (collectively referred as "Promoters"); Zenith Multi Trading DMCC ("Investor") and our Company ("SPA") as amended by the Supplementary agreement dated August 01, 2021 entered into between Sujit Sudhakar Bangar, Atul Umakant Rege, Investor and our Company ("Supplementary Agreement", which alongwith the SPA, collectively, the "Agreement").*

Our Company and the Investor entered into the Agreement whereby the Investor agreed to acquire 13.68% of the paid-up share capital of or Company at the rate of ₹43 each, amounting to a total consideration of ₹5,00,00,000 and the differential amount of investment of ₹2,50,00,000 shall be brought in by Sujit Sudhakar Bangar and other shareholders as may be decided by the Board of Directors in the best interest of our Company. Further, the Investor has chosen to stop further investment beyond ₹5,00,00,000.

**Other material agreements**

There are no material agreements as on the date of this Draft Red Herring Prospectus.

**Other confirmations**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

## OUR MANAGEMENT

### Board of Directors

In terms of our Articles of Association, our Company shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have six Directors on our Board, comprising two Executive Directors, one Non-Executive Director (who is a woman Director) and three Independent Directors. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

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

Sr. No.	Name, DIN, designation, term, period of directorship address, occupation, date of birth and age	Age (in years)	Other Directorship
1.	<p><b>Sujit Sudhakar Bangar</b></p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Current Term:</i> Three years, with effect from May 23, 2022.</p> <p><i>Period of Directorship:</i> Since August 14, 2017</p> <p><i>Address:</i> A-1201, Brichwood Main Street, Hiranandani Gardens Powai, Mumbai 4000 76, Maharashtra, India.</p> <p><i>Occupation:</i> Business</p> <p><i>Date of Birth:</i> August 10, 1981</p> <p><i>DIN:</i> 07871115</p>	41	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• SSBA Insurance Broker Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
2.	<p><b>Atul Umakant Rege</b></p> <p><i>Designation:</i> Whole Time Director</p> <p><i>Current Term:</i> Three years with effect from May 23, 2022.</p> <p><i>Period of Directorship:</i> Since August 14, 2017</p> <p><i>Address:</i> A-1301, Prathamesh Residency, Dada Bhai Road, near Andheri Recreation Club, Andheri (West), Mumbai – 4000 58, Maharashtra, India.</p> <p><i>Occupation:</i> Business</p> <p><i>Date of Birth:</i> May 31, 1970</p> <p><i>DIN:</i> 01235578</p>	52	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Forming and Fabrication Solutions Private Limited</li> <li>• SSBA Insurance Broker Private Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
3.	<p><b>Aparna Sujit Bangar</b></p> <p><i>Designation:</i> Non- executive Director</p>	34	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> <li>• Empyrean Cashews Limited</li> </ul>

Sr. No.	Name, DIN, designation, term, period of directorship address, occupation, date of birth and age	Age (in years)	Other Directorship
	<p><i>Current Term:</i> Retire by rotation</p> <p><i>Period of Directorship:</i> Since September 30, 2019.</p> <p><i>Address:</i> Raj Grandeur, A2102, behind Hiranandani hospital, Hiranandani garden, L H Hiranandani garden, Powai, Mumbai - 400 076, Maharashtra, India.</p> <p><i>Occupation:</i> Business</p> <p><i>Date of Birth:</i> February 22, 1988</p> <p><i>DIN:</i> 05332039</p>		<ul style="list-style-type: none"> <li>• Siddhivinayak Cashew Industries Private limited</li> <li>• Kuldew Technologies Private Limited</li> <li>• Emphyrean Healthcare Private Limited</li> </ul> <p><i>Foreign Companies:</i></p> <p>Nil</p>
4.	<p><b>Pankaj Singhania</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Current term:</i> five years with effect from May 23, 2022.</p> <p><i>Period of Directorship:</i> Since May 23, 2022</p> <p><i>Address:</i> Urbana NRI Complex, Tower 2, Flat-2902,783 Anandapur, near Ruby Hospital, Kolkata – 700 107 West Bengal, India</p> <p><i>Occupation:</i> Business</p> <p><i>Date of Birth:</i> October 28, 1972</p> <p><i>DIN:</i>08336529</p>	50	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> <li>• Proventus Laboratories Limited; and</li> <li>• Lakewater Advisors Private Limited.</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
5.	<p><b>Siddharth Shah</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Current term:</i> five years with effect from May 23, 2022.</p> <p><i>Period of Directorship:</i> Since May 23, 2022</p> <p><i>Address:</i> B-503, Prathamesh Residency, Dadabhai Road, Andheri West, Mumbai – 400 058 Maharashtra, India.</p> <p><i>Occupation:</i> Lawyer</p> <p><i>Date of Birth:</i> December 12, 1971</p> <p><i>DIN:</i>00382660</p>	51	<p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> <li>• Arinna Lifesciences Limited</li> </ul> <p><i>Foreign Companies</i></p> <p>Nil</p>
6.	<p><b>Rasesh Vrajeshkumar Thakore</b></p>	37	<p><i>Indian Companies</i></p>

Sr. No.	Name, DIN, designation, term, period of directorship address, occupation, date of birth and age	Age (in years)	Other Directorship
	<p><i>Designation:</i> Independent Director</p> <p><i>Current term:</i> five years with effect from May 23, 2022.</p> <p><i>Period of Directorship:</i> Since May 23, 2022</p> <p><i>Address:</i> Flat no. 201, Arihant Building, Shantilal Modi Road, CTS 131/A, Near Shree Asian Bakery, Kandivali West, Mumbai 400 067 Maharashtra, India.</p> <p><i>Occupation:</i> Professional</p> <p><i>Date of Birth:</i> March 14, 1985</p> <p><i>DIN:</i> 09602928</p>		<p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>

#### Brief Profile of our Directors

**Sujit Sudhakar Bangar**, aged 41 years, is the Promoter, Chairman and Managing Director of our Company. He has been a Director of our Company since August 14, 2017 and was appointed as the Managing Director on May 23, 2022. He was designated as a Chairman of our Company on May 23, 2022. He holds a bachelor's degree in arts (special) from the University of Pune. He has completed a program for leadership development from Harvard Business School and a management development programme from the Indian Institute of Management, Lucknow. He has also completed a training on international taxation, transfer pricing, tax audit and investigation and special items as part of the advance mid-career training programme of the Government of India from the International Bureau of Fiscal Documentation, Amsterdam, Netherlands. He has over 21 years of experience in taxation. Prior to being a founder of our Company, he served in the Indian Revenue Service, Income Tax Department, Government of India for 12 years.

**Atul Umakant Rege**, aged 52 years, is the Promoter and Whole Time Director of our Company. He has been a Director of our Company since August 14, 2017 and was appointed as a Whole Time Director of our Company on May 23, 2022. He holds a bachelor's degree in science from University of Mumbai. He has also completed the 'NISM-Series-X-A: Investment Advisor (Level 1) Certificate Examination' and 'NISM-Series-X-B: Investment Advisor (Level 2) Certificate Examination' from National Institute of Securities Markets as required under SEBI (Certification of Associated Persons in the Securities Markets) Regulations, 2007. He has over 25 years in the financial services industry and related technology services. Prior to joining our Company, he was associated with Talisman Securities Private Limited as director for more than 18 years.

**Aparna Sujit Bangar**, aged 34 years, is the Non-Executive Director of our Company and has been a Director of our Company since September 30, 2019. She holds a bachelor's degree in pharmacy from University of Pune. She has also completed her post graduate diploma in yoga therapy from Shivaji University at Kolhapur and a post graduate diploma in business administration from Symbiosis Centre for Distance Learning. She has been a director in Empyrean Cashews Limited for over eight years.

**Pankaj Singhania**, aged 50 years, is an Independent Director of our Company. He is a qualified chartered accountant and cost accountant from the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India respectively. He has over 21 years of experience in taxation and has also served in the Ministry of Finance, Department of Revenue.

**Siddhartha Shah**, aged 51 years, is an Independent Director of our Company. He holds a bachelor's degree in law from Saurashtra University, bachelor's degree in engineering (mechanical) from Saurashtra University and a master of business administration program from Institute for Technology and Management at Bombay. He is a member of the Bar Council of Maharashtra and Goa. He is a senior partner in Khaitan & Co. having an experience of over nine years.

**Rasesh Vrajeshkumar Thakore**, aged 37 years, is an Independent Director of our Company. He is a certified fraud examiner from Association of Certified Fraud Examiners. He has completed his final examination from ICAI and is a Chartered Accountant. He has 12 years of experience in accounting. He has obtained rank certificate in the exams held by the ICAI. He was previously associated with Ernst & Young LLP for more than eight years and resigned as a director in the assurance practice. He is presently a partner with Thakore & Associates.

### Confirmations

None of our Directors were or are directors of listed companies whose shares have been / were suspended from being traded on any stock exchange, during the five years preceding the date of this Draft Red Herring Prospectus, during his / her tenure as a director of such listed company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Except as disclosed below, there is no family relationship between any of our Directors and Key Managerial Personnel of our Company:

Name of Director	Name of other Director or Key Managerial Personnel	Relationship
Sujit Sudhakar Bangar	Aparna Sujit Bangar	Spouse

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further:

- None of our Directors has been identified as Wilful Defaulters or Fraudulent Borrower as defined under the SEBI ICDR Regulations; and
- None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

### Arrangement or understanding with major shareholders, customers, suppliers or others

There are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed or selected as a director.

### Service contracts with Directors

None of our Directors have entered into service contracts with our Company which provide benefits upon termination of employment.

### Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit.

### Detailed Terms of Appointment of the Managing Director, Whole Time Directors and Directors of our Company

Sujit Sudhakar Bangar was appointed as the Chairman and Managing Director of our Company on May 23, 2022 for a period of three years with effect from May 23, 2022 to May 22, 2025 pursuant to a resolution of our Board

dated May 23, 2022 and a resolution of our Shareholders' dated May 24, 2022. He is entitled to the following remuneration and perquisites:

Pay Element	Monthly Amount (INR)
Basic	4,00,000
HRA	2,00,000
Other Allowance	2,00,000
Gross Salary	8,00,000
Employer PF	Nil
Monthly Compensation	Nil
Annual Compensation	Nil

Atul Umakant Rege was appointed as the Whole-time Director of our Company on May 23, 2022 for a period of three years with effect from May 23, 2022 to May 22, 2025 pursuant to a resolution of our Board dated May 23, 2022 and a resolution of our Shareholders' dated May 24, 2022. He is entitled to the following remuneration and perquisites:

Pay Element	Monthly Amount (INR)
Basic	50,000
HRA	25,000
Other Allowance	25,000
Gross Salary	1,00,000
Employer PF	Nil
Monthly Compensation	Nil
Annual Compensation	Nil

Our Executive Directors were not paid any remuneration in FY 2022.

#### Remuneration paid/ payable to the Non-executive Directors:

Pursuant to the Board resolution dated June 27, 2022, our Non-Executive Director and our Independent Directors are entitled to receive sitting fees of ₹25,000 per meeting for attending meetings of the Board and the committees, within the limits prescribed under the Companies Act, and the rules made thereunder. Our Non-Executive Director and Independent Director are not entitled to receive any commission from the Company.

The Board has appointed Aparna Sujit Bangar as a Non-executive Director *vide* a board resolution dated June 27, 2022. Further, our Board appointed Pankaj Singhania, Siddhartha Shah and Rasesh Vrajeshkumar Thakore as Independent Directors *vide* board resolutions dated May 23, 2022 and shareholders' resolutions dated May 24, 2022. Therefore, they have not been paid any sitting fees as of FY 2022.

#### Bonus or profit sharing plan for our Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

#### Shareholding of our Directors in our Company

As per the Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares:

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Sujit Sudhakar Bangar	33,89,862	33.92
2.	Atul Umakant Rege	6,46,729	6.47
3.	Aparna Sujit Bangar	4,03,452	4.04
<b>Total</b>		<b>44,40,043</b>	<b>44.43</b>

#### Interest of our Directors



All our Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board and Committees and other remuneration or commission, if any, payable or reimbursement of expenses to them, and (ii) Equity Shares, if any, already held by them or their relatives or any firms, companies and trusts in which our Directors are interested as a director, member, partner or trustee, in our Company, or that may be Allotted to them in the Offer in terms of the Red Herring Prospectus and any dividend payable to them and other benefits arising out of such shareholding.

Further, our Chairman and Managing Director and Whole-time Director may also be deemed to be interested to the extent of the remuneration payable to each of them by our Company. For further details, see ‘*Our Management – Detailed Terms of Appointment of the Managing Director, Whole Time Directors and Directors of our Company*’ on page 183.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

Except for Sujit Sudhakar Bangar and Atul Umakant Rege, none of our Directors have any interest in the promotion or formation of our Company.

Further, except as disclosed under ‘*Shareholding of Directors in our Company*’ above, none of our Directors hold any Equity Shares or any other form of securities in our Company. Further, our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them in our Company directly or indirectly.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in the normal course of business with any company in which they hold directorships or any partnership firm in which they are partners or they are common shareholders.

#### **Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

<b>Sr. No.</b>	<b>Name</b>	<b>Date of Appointment/ Change/Cessation</b>	<b>Reasons</b>
1.	Aparna Sujit Bangar	September 30, 2019	Regularisation as an Executive Director
2.	Sanjay Sharadchandra Godbole	September 30, 2019	Regularisation as an Executive Director
3.	Samir Jayaswal	May 23, 2022	Resignation as a Director
4.	Sanjay Sharadchandra Godbole	May 23, 2022	Resignation as a Director
5.	Sujit Sudhakar Bangar	May 23, 2022*	Appointment as a Managing Director
6.	Atul Umakant Rege	May 23, 2022*	Appointment as a Whole time Director
7.	Pankaj Singhania	May 23, 2022*	Appointment as an Additional Independent Director
8.	Siddharth Shah	May 23, 2022*	Appointment as an Additional Independent Director
9.	Rasesh Vrajeshkumar Thakore	May 23, 2022*	Appointment as an Additional Independent Director
10.	Aparna Sujit Bangar	June 27, 2022	Change in designation as a Non-Executive Director

\*Regularization pursuant to a resolution of the Shareholders dated May 24, 2022.

#### **Corporate Governance**

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act in respect of corporate governance pertaining to the constitution of our Board and committees thereof and formulation of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Our Company has an Executive Chairman. Accordingly, as on the date of this Draft Red Herring Prospectus, our Board has six Directors comprising two Executive Directors, one Non-Executive Director (who is a woman Director) and three Independent Directors.

### **Committees of our Board**

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

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee; and
- (iii) Stakeholders' Relationship Committee;

In addition to the above, our Board may, from time to time, constitute committees to delegate certain powers for various functions, in accordance with applicable laws.

### **Audit Committee**

The Audit Committee of our Board was constituted by a resolution of our Board at their meeting held on, May 23, 2022. The constitution of the Audit Committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Position in the Committee</b>
1.	Rasesh Vrajeshkumar Thakore	Chairman
2.	Pankaj Singhanian	Member
3.	Aparna Sujit Bangar	Member

The Company Secretary and Compliance Officer of our Company will act as the Secretary of the Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Approval of Related party transaction to which the subsidiary is a party but the listed entity is not, subject to the threshold of 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity;
- (k) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (l) Scrutiny of inter-corporate loans and investments;
- (m) Valuation of undertakings or assets of the company, wherever it is necessary;
- (n) Evaluation of internal financial controls and risk management systems;
- (o) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- (p) 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;
- (q) Discussion with internal auditors of any significant findings and follow up there on;
- (r) 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;
- (s) 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;
- (t) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (u) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (v) Reviewing the functioning of the whistle blower mechanism;
- (w) Approval of the appointment of the Chief Financial Officer of the Company (“CFO”) (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (x) Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws;
- (y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (z) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (aa) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (bb) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (cc) Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation, etc of the company and its shareholder; and
- (dd) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (iii) The Audit Committee shall mandatorily review the following information:
  - (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
  - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
  - (d) Internal audit reports relating to internal control weaknesses and the implementation of corrective measures;

- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (f) Statement of deviations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii. annual statement of funds utilised for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- (g) Review the financial statements, in particular, the investments made by any unlisted subsidiary.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by a resolution of our Board at their meeting held on May 23, 2022. The constitution of the Nomination and Remuneration Committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Position in the Committee</b>
1.	Rasesh Vrajeshkumar Thakore	Chairman
2.	Pankaj Singhania	Member
3.	Aparna Sujit Bangar	Member

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

The terms of reference of the Nomination and Remuneration Committee shall be restated as inclusive of the following:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the independent director appointed shall be evaluated for 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. Such recommended person for appointment as independent director shall have the capabilities identified in such description. For this purpose of identifying suitable candidate, the Committee may
    - i. use the services of an external agencies, if required;
    - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - iii. consider the time commitments of the candidates
  - (ii) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;

- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (k) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:
  - i. Determining the eligibility of employees to participate under the ESOP Scheme;
  - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;

- xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
  - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
  - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (m) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable;
- (n) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- (o) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### ***Stakeholders' Relationship Committee***

The Stakeholders' Relationship Committee of our Board was constituted by a resolution of our Board at their meeting held on May 23, 2022. The constitution of the Stakeholders' Relationship Committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Position in the Committee</b>
1.	Aparna Sujit Bangar	Chairman
2.	Sujit Sudhakar Bangar	Member
3.	Rasesh Vrajeshkumar Thakore	Member

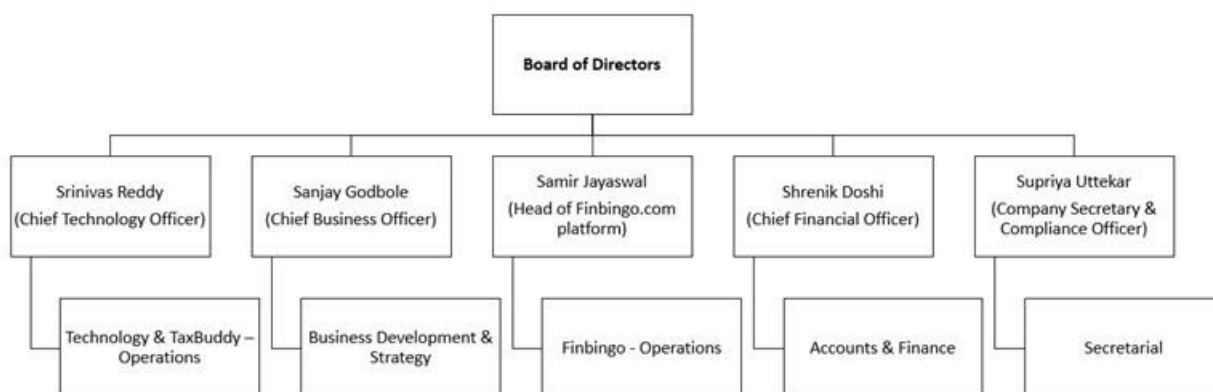
The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, issue of new/duplicate certificates, general meetings, etc., and assisting with quarterly reporting of such complaints;
- (b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (c) Investigating complaints relating to allotment of shares, approval register, refuse to register of transfer or transmission of shares, debentures or any other securities;

- (d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, sub-division, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (f) To authorise affixation of common seal of the Company;
- (g) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- (h) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
- (i) Considering and specifically looking into various aspects of interest of shareholders, debentures or any other securities;
- (j) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (k) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
- (l) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Additionally, our Company has also constituted an IPO committee

### Management Organisation Structure



### Key Managerial Personnel

In addition to our Directors whose details have been provided under the paragraph ‘*Our Management Brief profile of our Directors*’ on page 182, the details of our other Key Managerial Personnel as on the date of the Draft Red Herring Prospectus, are as follows:

- (i) Srinivas Reddy, Chief Technology Officer;
- (ii) Sanjay Sharadchandra Godbole, Chief Business Officer;



- (iii) Samir Jayaswal, Head of Finbingo.com platform;
- (iv) Shrenik Mahendra Doshi, Chief Financial Officer;
- (v) Supriya Vijay Utekar, Company Secretary and Compliance Officer.

**Srinivas Reddy** is the Chief Technology Officer of our Company. He has been associated with our Company since December 03, 2018 and is currently responsible for, *inter alia*, setting technical direction for product development of our Company. He holds a master's degree in computer science from University of Pune. He has over 20 years of experience in software technology. Prior to joining our Company, he was associated with Internet Data Services (I) Private Limited (as Asia technology and global project manager), Optimum Solutions Provider (as a consultant), EventValue in Bengaluru, as a CTO and co-founder. He received a remuneration of ₹9,50,000 in FY 2022. He is specifically involved in technology and TaxBuddy operations of our Company.

**Sanjay Sharadchandra Godbole** is the Chief Business Officer of our Company. He was appointed as a Chief Business Officer on May 23, 2022 and has been associated with our Company since January 02, 2019 (as a director) and is currently responsible for, *inter alia*, devising robust sales and business development strategy in our Company. He holds a bachelor's degree in engineering (metallurgy) from Nagpur University and a post graduate diploma in advanced computing from C-DAC. He has over 20 years of experience in computer science. Prior to joining our Company, he was associated with EdgeVerve Systems Limited, Integral Strategies Inc (as a programmer analyst), and Zensar Technologies Limited (as a project manager). He received a remuneration of ₹7,90,000 in FY 2022. He is specifically involved in business development and strategy operations of our Company.

**Samir Jayaswal** is the Head of Finbingo.com platform of our Company. He has been associated with our Company since August 28, 2017 and is currently responsible for, *inter alia*, developing strategies for expanding user base. . He holds a bachelor's degree in computer science from University of Pune. He holds a post graduate diploma in master's programme in international business from Symbiosis Institute of International Business. He has 24 years of experience in technology (computer science). Prior to joining our Company, he was associated with Asian CERC Information Technology Limited, 3I Infotech, Sungard India Sales Private Limited (as a director (sales)), Wipro Limited (as a business analyst) and Zensar Technologies Limited. He received a remuneration of ₹10,30,000 in FY 2022.

**Shrenik Mahendra Doshi** is the Chief Financial Officer of our Company. He has been appointed as a Chief Financial Officer on May 01, 2022 and is currently responsible for, *inter alia*, financial monitoring of operations, monitoring the various direct and indirect tax compliances of our Company, and overseeing the accounting consolidation. He holds a bachelor's degree in commerce from University of Mumbai, is a certified chartered accountant and a member of Institute of Chartered Accountants in India. He holds a registration certificate with Insolvency and Bankruptcy Board of India as a valuer of securities or financial assets and has completed an online training of export import management from Ajit Shah. He has over 11 years of experience in finance and accounting. Prior to joining our Company, he was associated with M Doshi & Associates. During Fiscal 2022, he was not paid any compensation from our Company.

**Supriya Vijay Utekar** is the Company Secretary and Compliance Officer of our Company. She has been appointed as a Company Secretary on May 1, 2022, and is currently responsible for, *inter alia*, compliance matters. She holds a bachelor's degree in commerce from University of Mumbai. She has also completed the professional program certificate from the Institute of Company Secretaries of India and is an associate member of the Institute of Company Secretaries of India. She has over five years of experience in secretarial and compliance matters. Prior to joining our Company, she was associated with Shree NM Electrical Limited as a company secretary. During Fiscal 2022, she was not paid any compensation from our Company.

#### **Relationship between our Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other.

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any Shareholders, customers or suppliers or others.

### Retirement and termination benefit

None of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

### Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company.

### Bonus or Profit-Sharing Plans

None of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

### Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

### Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

### Shareholding of Key Managerial Personnel

Except as mentioned for our Managing Director and Whole time Director as mentioned in 'Our Management Shareholding of Directors in our Company' on page 184 and as disclosed below, none of our Key Managerial Personnel hold any Equity Shares in our Company.

Sr. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Sanjay Sharadchandra Godbole	2,00,000	2.00
2.	Samir Jayaswal	1,11,297	1.11
3.	Srinivas Reddy	77,651	0.78
4.	Shrenik Mahendra Doshi	3,000	0.03

### Changes in Key Managerial Personnel

The changes, other than as mentioned for our Managing Director and Whole time Director, in 'Our Management Changes in our Board during the last three years' on page 185 and by way of retirement in the normal course, in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Sr. No.	Name of the Key Managerial Personnel	Date of Appointment	Reasons
1.	Samir Jayaswal	May 01, 2022*	Appointment as a Chief Executive Officer
2.	Sanjay Sharadchandra Godbole	May 24,2022	Appointment as a Chief Business Officer
3.	Shrenik Mahendra Doshi	May 01, 2022*	Appointment as a Chief Financial Officer
4.	Srinivas Reddy	December 01, 2018	Appointment as a Chief Technology Officer
5.	Supriya Vijay Utekar	May 01, 2022*	Appointment as a Company Secretary and Compliance Officer
6.	Samir Jayaswal	May 23, 2022*	Resignation as a Chief Executive Officer
7.	Samir Jayaswal	May 24,2022	Appointment as a Head of Finbingo.com platform
8.	Sujit Sudhakar Bangar	May 23, 2022	Appointment as a Chief Executive Officer
9.	Sujit Sudhakar Bangar	June 27, 2022	Resignation as a Chief Executive Officer

\*the date of the board resolution for their appointment was April 30, 2022.

For details in the changes in our Directors, see “*Our Management - Changes in our Board in the last three years*” on page 185.

### **Interests of Key Managerial Personnel**

None of our Key Managerial Personnel have any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business, equity shares held by them. Further, our Key Managerial Personnel may also be deemed to be interested to the extent of options granted to them under the Employee Stock Option Plan. For details, see “*Capital Structure – Employee Stock Option Plan*” on page 85.

### **Attrition of Key Managerial Personnel**

The attrition of our Key Managerial Personnel of our Company is not high as compared to the industry standard. For further details, see “*Risk Factor – Our success depends substantially on the continuing services of our Promoters, senior executives and other key personnel. If we are unable to attract and retain senior executives, we may not be able to grow effectively, which may adversely affect our business, results of operations and financial condition.*” on page 38.

### **Employee Stock Option Scheme**

For details of the employees’ stock option scheme, see “*Capital Structure – Employee Stock Option Plan*” on page 85.

### **Payment or benefits to officer of our Company (non-salary related)**

Apart from the salaries, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or intended to be paid or given to any officer of our Company, including our Directors and Key Management Personnel, other than in ordinary course of their employment.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoters

The following are the promoters of our Company:

- (a) Sujit Sudhakar Bangar; and
- (b) Atul Umakant Rege

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 40,36,591 Equity Shares, aggregating to 40.39% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

For details, see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 81.

**Details of our Promoters are as follows:**



Sujit Sudhakar Bangar, aged 41 years, is one of our Promoters and also the Chairman and Managing Director on the Board of our Company. For the complete profile of Sujit Sudhakar Bangar, along with details of his age, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business, see “*Our Management – Brief Profiles of our Directors*” on page 182.

**PAN:** AIVPB1097R



Atul Umakant Rege, aged 52 years, is one of our Promoters and also the Whole Time Director on the Board of our Company. For the complete profile of Atul Umakant Rege, along with details of his age, educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business, see “*Our Management – Brief Profiles of our Directors*” on page 182.

**PAN:** AAHPR5186R

Our Company confirms that the PAN, bank account number, passport number, aadhaar card number and driving license number of Sujit Sudhakar Bangar and Atul Umakant Rege will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### Change in control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company since incorporation.

### Other ventures of our Promoters

Other than as disclosed in this section and in the section titled “*Our Management – Other Directorships*” on page 180, our Promoters are not involved in any other ventures.

### Interests of Promoters

Our Promoters are interested in our Company in the following manner:

- (i) to the extent they are promoters of our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For further details of their interests, see “*Our Management – Interest of our Directors*” on page 184.
- (ii) in their capacity as Directors and KMPs. For details of the terms of their appointment, see “*Our Management – Detailed Terms of Appointment of the Managing Director, Whole Time Directors and Directors of our Company*” on page 183.
- (iii) in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus including transactions in acquisition of land, construction of building and supply of machinery, etc.
- (iv) No sums have been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them as directors or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

#### **Payments and benefits to our Promoters or the members of the Promoter Group**

Except as stated otherwise in “*Financial Statements – Related party transactions Note 37*” on page 252, no amount or benefits have been paid or given to our Promoters or the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or the members of our Promoter Group.

#### **Material guarantees given by our Promoters to third parties with respect to Equity Shares**

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

#### **Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Our Promoter Group**

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

##### *I. Individuals forming part of the Promoter Group*

<b>Sr. No.</b>	<b>Name of Promoter</b>	<b>Members of the Promoter Group</b>	<b>Relationship with the Promoter</b>
1.	Sujit Sudhakar Bangar	Chhaya Bangar	Mother
		Sudhakar Vishwanath Bangar	Father
		Abhijit Sudhakar Bangar	Brother
		Pranita Nandkishor Gaikwad	Sister
		Anita Sudhakar Bangar	Sister
		Radha Sujit Bangar	Daughter
		Reeta Sujit Bangar	Daughter
		Aparna Sujit Bangar	Spouse
		Jyoti Arun Morale	Spouse’s Mother
		Amol Arun Morale	Spouse’s Brother
		Naresh Arun Morale	Spouse’s Brother
		Madhura Arun Morale	Spouse’s Sister
2.	Atul Umakant Rege	Darshana Umakant Rege	Mother
		Amol Umakant Rege	Brother
		Netresh Umakant Rege	Brother

Sr. No.	Name of Promoter	Members of the Promoter Group	Relationship with the Promoter
		Govindraj Rege	Son
		Jiya Rege	Daughter
		Swati Atul Rege	Spouse
		Murari Damodar Samant	Spouse's Father
		Ashalata Murari Samant	Spouse's Mother
		Seema Prasad Naik	Spouse's Sister
		Smita Samant	Spouse's Sister

II. *Entities who are a part of our Promoter Group*

1. Empyrean Healthcare Private Limited;
2. Empyrean Cashews Limited;
3. ArunJyot Industries Private Limited;
4. Morales Industries Private Limited;
5. SA Trading;
6. Empyrean Enviro;
7. SSBA Insurance Broker Private Limited;
8. Siddhivinayak Cashew Industries Private Limited;
9. Talisman Securities Private Limited; and
10. Atul Rege HUF.

## GROUP COMPANY

In terms of the SEBI ICDR Regulations, the definition of ‘group companies’ includes (i) such companies (other than the promoters and subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the Draft Red Herring Prospectus, as covered under applicable accounting standards, and (ii) any other companies as are considered material by our Board of the relevant issuer company. Pursuant to a Board resolution dated June 27, 2022, our Board formulated a policy with respect to companies which it considered material to be identified as group companies.

Accordingly, for (i) above all companies with which our Company has entered into related party transactions as set out in the Restated Financial Statements as covered under the relevant accounting standard (i.e., Ind AS 24) have been considered for purposes of identification of our Group Companies in terms of the SEBI ICDR Regulations.

In addition, pursuant to the Materiality Policy a company has been considered material and has been considered for identification as a Group Company in this Draft Red Herring Prospectus if:

- (i) the companies (other than the promoters and subsidiaries) with which there were related party transactions as per the restated financial statements of the Company which are included in the Offer Documents during the relevant period; and
- (ii) Any other companies considered material by the Board.

Set forth below, based on the aforementioned criteria, are the details of our Group Companies as on the date of this Draft Red Herring Prospectus.

### 1. Empyrean Cashews Limited (“ECL”)

#### *Corporate Information*

Empyrean Cashews Limited was incorporated as a private limited company *vide* certificate of incorporation dated March 21, 2014 bearing corporate identity number U74120MH2014PTC254748 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a special resolution passed at the EGM dated November 08, 2021 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to ‘Empyrean Cashews Limited’ and a fresh certificate of incorporation dated November 22, 2021 bearing corporate identification U74120MH2014PLC254748 number was issued by the Registrar of Companies, Maharashtra at Mumbai. The registered office of ECL is situated at 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL office, Powai, Mumbai – 400 072, Maharashtra, India.

#### *Financial Information*

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements of ECL, for the Fiscals 2022, 2021 and 2020, are available at <https://www.krishival.com/our-company>.

### **Nature and extent of interests of our Group Company**

#### *In the promotion of our Company*

Our Group Company does not have any interest in the promotion of our Company.

#### *In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Company does not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft Red Herring Prospectus.

***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

Our Group Company does not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

***Common pursuits of our Group Company and our Company***

Our Group Company is not involved in the same line of business as our Company and accordingly our Group Company does not have any common pursuits with our Company.

***Business interests of Group Companies***

Except in the ordinary course of business and as disclosed under ‘*Financial Statements– Related Party Transactions Note 37*’ on page 252, our Group Company does not have any business interest in our Company.

***Related Business Transactions within our Group Company and significance on the financial performance of our Company***

Except as disclosed in “*Financial Statements*” and “*Summary of the Offer Document - Summary of Related Party Transactions*” on pages 202 and 26, respectively, there have been no related business transactions of our Group Company with our Company during the last three fiscals.

***Litigation***

As on date of this Draft Red Herring Prospectus, there are no outstanding material litigations involving our Group Company which may have a material impact on our Company.

***Other confirmations***

The Equity Shares of our Group Company, Empyrean Cashews Limited are listed on SME Platform of National Stock Exchange of India Limited i.e. NSE Emerge.



## DIVIDEND POLICY

Our Company has adopted a dividend distribution policy (“**Dividend Policy**”) pursuant to a resolution of the Board dated June 27, 2022. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in terms of the Dividend Policy and subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. In accordance with the Dividend Policy, our Board shall consider, *inter alia*, the following financial and internal parameters before declaring dividend: (i) distributable surplus available as per the Companies Act and SEBI Listing Regulations (ii) liquidity position and future working capital requirements and cash flow needs; (iii) track record of dividend distributed by our Company; (iv) capital expenditure requirements considering the expansion, investment and acquisition opportunities; (v) cost and availability of alternative sources of financing; (vi) leverage profit and liabilities of our Company; (vii) providing of unforeseen event and contingency with financial implications; and (viii) other factors considered relevant by our Board.

In addition, our ability to pay dividend may be impacted by a number of other factors, including significant macro-economic environment, taxation and other regulatory changes.

The amounts paid as dividend in the past are not necessarily indicative of our Dividend Policy or dividend amounts, if any, in the future. There is no guarantee that any dividend will be declared or paid or the amount thereof will not be decreased in the future. For details in relation to the risk involved, see “*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future*” on page 44.

### **Dividend on Equity Shares**

Our Company has not declared or paid any dividend on its Equity Shares during the last three Fiscals and the period from April 01, 2022 until the date of this Draft Red Herring Prospectus, on the Equity Shares.

**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH THE PROPOSED INITIAL PUBLIC OFFERING OF SSBA INNOVATIONS LIMITED (FORMERLY KNOWN AS SSBA INNOVATIONS PRIVATE LIMITED)**

To,  
Board of Directors,  
**SSBA Innovations Limited (Formerly known as SSBA Innovations Private Limited)**  
1309, Lodha Supremus Powai,  
Saki Vihar Road,  
Opp. MTNL Office,  
Powai,  
Mumbai 400072

**Dear Sirs,**

- 1) We have examined, the attached Restated Consolidated Financial Information, expressed in INR Thousands of SSBA Innovations Limited (formerly known as SSBA Innovations Private Limited) ("the Company" or "the Issuer") and its subsidiary (collectively, the "Group"), comprising the Restated Consolidated Statement of Assets & Liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020.
- 2) The Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, a summary of Statement of Significant Accounting policies and other explanatory information (Collectively referred to as, the "Restated Consolidated Financial Information"), prepared by the Management of the Company and as approved by the Board of Directors of the Company at their meeting held on July 27, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:
  - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "**Act**");
  - (b) Relevant provisions of 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**").

### **Responsibility of Management for the Restated Consolidated Financial Information**

- 3) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE the "Stock Exchanges") and the Registrar of Companies, Maharashtra, at Mumbai ("RoC"), in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note (4) of Annexure (V) to the Restated Consolidated Financial Information.

The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group comply with the Act, the ICDR Regulations and the Guidance Note.

### **Auditor's Responsibilities for the Examination of Restated Consolidated Financial Information**

- 4) We have examined such Restated Consolidated Financial Information taking into consideration:
- (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 9, 2022 in connection with the proposed IPO of equity shares of the Company;
  - (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - (d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

- 5) The Restated Consolidated Financial Information have been compiled by the Company's management from:
- (a) Audited Consolidated financial statements as at and for year ended March 31, 2022 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other

accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 27, 2022 .

(b) Audited Special purpose Consolidated financial statements as at and for year ended March 31, 2021 prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) for the limited purpose of complying with the requirement of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.

(a) Audited Special Purpose Consolidated financial statements as at and for year ended March 31, 2020 prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) for the limited purpose of complying with the requirement of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.

6) For the purpose of our examination, we have relied on:

a) Auditors' reports issued by us dated June 27, 2022 on the Consolidated Ind AS Financial Statements of the Group for the financial year ended March 31, 2022 ("2022 Audited Consolidated Ind AS Financial Statements") as referred in Para 4 (a) above; and

b) Reports issued by us dated June 27, 2022 & June 27, 2022 on the Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2021 & March 31, 2020 as referred in Paragraph 4 (b) and 4(c) above;

c) The reports issued by Previous Auditor M/s Vinit Bohra & Associates, dated September 01, 2020 and September 02, 2021 on the Indian GAAP financial statements of the Company as at and for the year ended March 31, 2020 and March 31, 2021 respectively.

d) The audits for the financial years ended March 31, 2021, and March 31, 2020 were conducted by the Company's Previous Auditors, and accordingly reliance has been placed by us on the audited consolidated financial statements audited by them for the said years.

7) As indicated above and in respect of SSBA Innovations Limited:

a. We did not audit the financial statements of its subsidiary, SSBA Insurance Broker Private Limited whose share of total assets, total revenues, net cash inflows / (outflows) and share of Profit/ (Loss) included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors, Vinit Bohra & Associates and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in Thousands)

Particulars	As at/ for the year ended March 31, 2022	As at/ for the year ended March 31, 2021	As at/ for the year ended March 31, 2020
Total assets	496.83	551.64	552.47
Total revenue	NIL	NIL	NIL
Net cash inflows/ (outflows)	(53.99)	350.00	(430.00)

Our or previous auditors' opinion on the consolidated Ind AS financial statements is not modified in respect of these matters.

- 8) The special purpose financial statements as at and for the year ended March 31, 2020 and March 31, 2021;
- a) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/reclassifications retrospectively in the financial years as at and for the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022.
  - b) There are no qualifications in the auditor's report issued on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at the year ended March 31, 2020 and March 31, 2021 which require any adjustments.
  - c) The Consolidated Special Purpose Financial Statements of the Group have been prepared in accordance with the Companies Act., SEBI ICDR Regulations and the Guidance Note.
  - d) There are some reporting irregularities in the audited financials for the year ended on March 31, 2021 and March 31, 2020, conducted by the previous auditor. However, auditors opinion was not modified in the audited financials by the Previous auditor.

### Opinion

- 9) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

- 10) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 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 or previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12) Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with SEBI, Stock exchanges and RoC 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 V. A. Parikh & Associates LLP**  
**Chartered Accountants**  
**FR No: 112787W/W100073**

**Nirav Parikh**  
**Partner**  
**Membership No. 121674**  
**Place : Mumbai**  
**Date: 27<sup>th</sup> July, 2022**  
**UDIN: 22121674ANSQEN7957**  
**Peer Review Certificate No. 013779**

**SSBA Innovations Limited**  
(Formerly Known as SSBA Innovations Private Limited)  
**Annexure I : Restated consolidated Statement of Assets & Liabilities**  
(All amount in Indian Rupees thousand, unless otherwise specified)

PARTICULARS	NOTE	As at March 31,2022	As at March 31,2021	As at March 31,2020
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a Property, Plant & Equipment	1	123.23	-	35.85
b Intangible Assets	2	40,297.65	40,974.23	24.14
c Intangible Assets Under Development	3	35,885.01	22,979.21	53,744.22
d ROU Asset	4	348.29	580.48	-
e Financial Assets		-	-	-
i) Other Financial Assets		-	-	-
Total of non current Assets		76,654.17	64,533.92	53,804.21
<b>Current Assets</b>				
a Inventories		-	-	-
b Financial Assets		-	-	-
i) Investments	5	-	5,001.00	-
ii) Trade Receivables	6	1,744.28	578.55	15.88
iii) Cash and Cash Equivalents	7	922.21	15,489.37	1,261.42
iv) Bank Balances other than (III) above		-	-	-
v) Loans & Advances	8	-	-	500.00
vi) Other Financial Assets		-	-	-
c Current Tax Assets		-	-	-
c Other Current Assets	9	14,305.19	4,666.52	4,335.54
Total of current Assets		16,971.68	25,735.44	6,112.83
<b>TOTAL</b>		<b>93,625.85</b>	<b>90,269.36</b>	<b>59,917.04</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a Equity Share Capital	10	94,285.17	76,734.81	62,435.00
b Other Equity	11	(34,919.73)	(3,934.28)	(6,838.50)
c Non controlling intrest		0.01	0.01	0.01
		59,365.45	72,800.54	55,596.51
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a Financial Liabilities		-	344.99	119.99
i) Borrowings	12	-	344.99	119.99
ia) Lease Liability	4	112.81	356.71	-
ii) Other Financial Liabilities		-	-	-
b Deferred Tax Liabilities (Net)	13	2,105.99	457.18	(208.16)
c Provisions - Non Current	14	2,304.77	1,221.01	645.62
Total of Non current liabilities		4,523.57	2,379.88	557.44
<b>Current Liabilities</b>				
a Financial Liabilities :		-	-	-
i) Short-Term Borrowings	15	20,994.70	11,080.00	-
ia) Lease Liability	4	243.90	187.45	-
iii) Trade Payables	16	-	-	-
a) Total outstanding dues of creditors of Micro and Small Enterprises		-	-	-
b) Total outstanding dues of other than Micro and Small Enterprises		2,076.73	1,819.59	1,796.25
iv) Other Financial Liabilities	17	6,359.37	2,000.44	1,966.83
b Provisions	18	62.14	1.47	-
Total of current liabilities		29,736.83	15,088.94	3,763.09
<b>TOTAL</b>		<b>93,625.85</b>	<b>90,269.36</b>	<b>59,917.04</b>

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial information appearing in Annexure V and statement of adjustments to Audited Financial Statements appearing in Note 36 as per our report attached.

**For V.A. Parikh & Associates LLP**  
Chartered Accountants  
FR No. : 112787W/W100073

For and on behalf of the Board of Directors

**Nirav Parikh**  
Partner  
Membership No. : 121674  
Place : Mumbai  
Date : 27.07.2022  
UDIN:22121674ANSQEN7957

**Sujit Sudhakar Bangar**  
Director  
DIN - 07871115

**Atul Umakant**  
Director  
DIN - 01235576

Shrenik Doshi CFO  
Supriya Utekar CS  
Place : Mumbai  
Date: 27.07.2022



**SSBA Innovations Limited**  
(Formerly Known as SSBA Innovations Private Limited)  
**Annexure II : Restated Statement of Profit & loss Account**  
(All amount in Indian Rupees thousand, unless otherwise specified)

PARTICULARS	NOTE	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income :</b>				
Revenue From Operations	19	19,659.03	4,551.95	709.43
Other Income	20	69.77	4.95	13.48
<b>Total Income</b>		<b>19,728.81</b>	<b>4,556.90</b>	<b>722.92</b>
<b>Expenses :</b>				
Operating Cost	21	3,508.15	3,864.81	-
Employee Benefits Expense	22	34,281.56	11,003.64	437.48
Finance Costs	23	41.37	27.83	-
Depreciation and Amortization Expense	24	4,648.57	2,280.80	24.31
Other Expenses	25	64,141.55	14,228.61	4,764.84
<b>Total Expenses</b>		<b>106,621.18</b>	<b>31,405.69</b>	<b>5,226.62</b>
<b>Profit / (Loss) Before Tax</b>		<b>(86,892.38)</b>	<b>(26,848.79)</b>	<b>(4,503.71)</b>
<b>Tax expense</b>				
Current Tax		-	-	-
Earlier Year Tax Adjustments		-	-	-
Deferred Tax		(1,742.53)	(680.04)	44.05
<b>Total Tax expense</b>		<b>(1,742.53)</b>	<b>(680.04)</b>	<b>44.05</b>
<b>Loss for the year, as restated</b>		<b>(88,634.91)</b>	<b>(27,528.83)</b>	<b>(4,459.65)</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be subsequently reclassified to Profit or Loss :</b>				
Gain/(loss) on remeasurements of the defined benefits plan		(360.46)	(56.52)	(264.75)
Income tax (expenses)/income on remeasurements of the defined benefits plan		93.72	14.69	68.84
<b>Total Comprehensive Income (net of tax)</b>		<b>(266.74)</b>	<b>(41.82)</b>	<b>(195.92)</b>
<b>Total Comprehensive Income for the year</b>		<b>(88,901.65)</b>	<b>(27,570.65)</b>	<b>(4,655.57)</b>
<b>Earnings Per Equity Share:</b>	25			
Basic Earnings per Equity Share		(10.73)	(3.97)	(1.14)
Diluted Earnings per Equity Share		(10.73)	(3.97)	(1.14)
Face value per Equity Share		10.00	10.00	10.00

The above statement should be read with basis of preparation, significant accounting policies and notes forming part of the Restated Financial information appearing in Annexure V and statement of adjustments to Audited Financial Statements

**For V.A. Parikh & Associates LLP**  
**Chartered Accountants**  
**FR No. : 112787W/W100073**

For and on behalf of the Board of Directors

**Nirav Parikh**  
**Partner**  
Membership No. : 121674  
Place : Mumbai  
Date :27.07.2022  
UDIN:22121674ANSQEN7957

**Sujit Sudhakar Bangar**  
**Director**  
DIN - 07871115

**Atul Umakant Rege**  
**Director**  
DIN - 01235578

Shrenik Doshi  
CFO

Supriya Utekar  
CS  
Place : Mumbai  
27.07.2022

**SSBA INNOVATIONS LIMITED**

(Formerly known as SSBA Innovations Private Limited)

**Annexure III : Restated Statement of Changes in Equity for the period ended.**

(All amount in Indian Rupees thousand, unless otherwise specified)

**Current Reporting year - FY 2021-22 :**

Particulars	Balance at the beginning of current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Equity Share Capital	76,734.81	-	76,734.81	17,550.36	94,285.17

**Previous Reporting year - FY 2020-21 :**

Particulars	Balance at the beginning of previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
Equity Share Capital	62,435.00	-	62,435.00	14,299.81	76,734.81

**Previous Reporting year - FY 2019-20 :**

Particulars	Balance at the beginning of previous reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
Equity Share Capital	24,810.00	-	24,810.00	37,625.00	62,435.00

**b. Other Equity**

**Current Reporting year:**

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting year	30,474.87	(34,409.15)	(3,934.28)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the reporting year	-	(34,409.15)	(34,409.15)
Profit/(Loss) For the year	-	(88,634.91)	(88,634.91)
On issue of Equity Shares	57,916.20	-	57,916.20
Other Comprehensive Income	-	(266.74)	(266.74)
<b>Balance at the end of the reporting year</b>	<b>88,391.07</b>	<b>(123,310.80)</b>	<b>(34,919.73)</b>

**Previous Reporting year:**

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting year	-	(6,838.50)	(6,838.50)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the reporting year	-	(6,838.50)	(6,838.50)
Profit/(Loss) For the year	-	(27,528.83)	(27,528.83)
On Issue of Equity Shares	30,474.87	-	30,474.87
Other Comprehensive Income	-	(41.82)	(41.82)
<b>Balance at the end of the reporting year</b>	<b>30,474.87</b>	<b>(34,409.15)</b>	<b>(3,934.28)</b>

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting year	-	(2,182.93)	(2,182.93)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the reporting year	-	(2,182.93)	(2,182.93)
Profit/(Loss) For the year	-	(4,459.65)	(4,459.65)
Profit of Subsidiary	-	-	-
On Issue of Equity Shares	-	-	-
Other Comprehensive Income	-	(195.92)	(195.92)
<b>Balance at the end of the reporting year</b>	<b>-</b>	<b>(6,838.50)</b>	<b>(6,838.50)</b>

For V.A. Parikh & Associates LLP  
Chartered Accountants  
FR No. : 112787W/W100073

For and on behalf of the Board of Directors

Nirav Parikh  
Partner  
Membership No. : 121674  
Place : Mumbai  
Date : 27.07.2022  
UDIN:22121674ANSQEN7957

Sujit Sudhakar Bangar  
Director  
DIN - 07871115

Atul Umakant Rege  
Director  
DIN - 01235578

**SSBA Innovations Limited**  
(Formerly Known as SSBA Innovations Private Limited)  
**Annexure IV : RESTATED CONSOLIDATED CASH FLOW STATEMENT**  
(All amount in Indian Rupees thousand, unless otherwise specified)

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
<b>A. CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax &amp; extraordinary items</b>	(88,901.65)	(27,570.65)	(4,655.57)
<b>Adjustment for</b>			
Depreciation & Amortisation	4,648.57	2,280.80	24.31
Deferred Tax	1,648.81	665.34	(113.00)
Loss on remeasurements of the defined benefits plan	1,144.42	576.86	387.35
<b>Operating Loss before Working capital changes</b>	(81,459.85)	(24,047.65)	(4,356.91)
<b>Adjustment for</b>			
Trade Receivables	(1,165.73)	(562.67)	45.76
Trade Payables	257.15	23.33	803.62
Other Current Assets	(9,638.68)	(330.98)	(2,533.84)
Changes in lease liability	(187.45)	544.16	-
Current Liabilities	4,358.94	33.60	1,949.00
<b>Cash used in operations</b>	<b>(87,835.62)</b>	<b>(24,340.21)</b>	<b>(4,092.41)</b>
Direct Tax Paid	-	-	-
<b>Net cash used in operating activities</b>	<b>(87,835.62)</b>	<b>(24,340.21)</b>	<b>(4,092.41)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Disposal / (Purchase) of Property, Plant & Equipment	(123.23)	35.85	-
Purchase of Intangible Assets	(16,645.60)	(13,046.36)	(33,112.22)
Purchase of Investments	-	(5,001.00)	-
Redemption of Investments	5,001.00	-	-
<b>Net Cash used in investing activities</b>	<b>(11,767.82)</b>	<b>(18,011.51)</b>	<b>(33,112.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital	75,466.56	44,774.68	37,625.00
Proceeds from Non Current Borrowings	-	225.00	65.00
Receipt on account of repayment of Loan	-	500.00	-
Repayment of Non Current Borrowings	(344.99)	-	-
Increase in Short Term Borrowing (net)	9,914.70	11,080.00	-
<b>Net cash used in financing activities</b>	<b>85,036.26</b>	<b>56,579.68</b>	<b>37,690.00</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(14,567.18)</b>	<b>14,227.96</b>	<b>485.37</b>
<b>Cash &amp; cash equivalents as at 1st April (Opening)</b>	<b>15,489.37</b>	<b>1,261.42</b>	<b>776.05</b>
<b>Cash &amp; cash equivalents as at 31st March (Closing)</b>	<b>922.21</b>	<b>15,489.38</b>	<b>1,261.42</b>

This is the Cash Flow Statement referred to in our report of even date.

1. This Cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash flow Statements".

2. Component of Cash & Cash Equivalents :

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Balance with bank - Current Account	915.84	15,425.98	1,258.68
Cash on Hand	6.37	63.39	2.74
	922.21	15,489.37	1,261.42

**Change in Liability arising from financing activities**

Particulars	As at 31-03-2021	Cash Flow	As at 31-03-2022
Borrowing - Non Current (Refer Note No. 13)	344.99	(344.99)	-
Borrowing - Current (Refer Note No. 16)	11,080.00	9,914.70	20,994.70
<b>Total</b>	<b>11,424.99</b>	<b>9,569.71</b>	<b>20,994.70</b>

Particulars	As at 31-03-2020	Cash Flow	As at 31-03-2021
Borrowing - Non Current (Refer Note No. 13)	119.99	225.00	344.99
Borrowing - Current (Refer Note No. 16)	-	11,080.00	11,080.00
<b>Total</b>	<b>119.99</b>	<b>11,305.00</b>	<b>11,424.99</b>

Particulars	As at 31-03-2019	Cash Flow	As at 31-03-2020
Borrowing - Non Current (Refer Note No. 13)	54.99	65.00	119.99
<b>Total</b>	<b>54.99</b>	<b>65.00</b>	<b>119.99</b>

**For V.A. Parikh & Associates LLP**  
Chartered Accountants  
FR No. : 112787W/W100073

**For and on behalf of the Board of Directors**

**Nirav Parikh**  
Partner  
Membership No. : 121674  
Place : Mumbai  
Date : 27.07.2022  
UDIN:22121674ANSQEN7957

**Sujit Sudhakar Bangar**  
Director  
DIN - 07871115

**Atul Umakant Rege**  
Director  
DIN - 01235578

**Shrenik Doshi** **Supriya Utekar**  
CFO CS Place : Mumbai  
Date : 27.07.2022

## **ANNEXURE V - NOTES TO THE RESTATED CONSOLIDATED FINANCIAL INFORMATION**

### **1. General Information**

The Restated Financial Statements comprise of Financial Statements of SSBA Innovations Ltd. (previously known as SSBA Innovations Pvt. Ltd.) (the Holding Company) and its subsidiary SSBA Insurance Brokers Pvt. Ltd. (collectively known as the Group) for the period ended March 31, 2022; March 31, 2021 and March 31, 2020. Financial Statements for the year ended March 31, 2021 and March 31, 2020 had been previously prepared and audited as per the requirement of Companies Act 2013 and now restated as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) on September 11, 2018 and Guidance Note on Reports in Company Prospectus (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

The Restated Financials were authorized for issue in accordance with the resolution of the Directors on July 27, 2022.

### **2. Corporate Information**

SSBA Innovations Private Limited (the "company") is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on 14.08.2017. The registered office of the Company is at 1309, Lodha Supremus Powai, Saki Vihar Road, Opp. MTNL Office, Powai, Mumbai- 400072. The company provides various technical and consultancy services such as ITR filing, GST Return Filing, Portfolio Management, Tax Planning, Responding to Notices from the Income Tax Department and providing tax consultancy services through its online platform.

The Parent Company and its subsidiary viz. SSBA Insurance Brokers Pvt. Ltd. are referred to as "the Group" for the purpose of these Restated Consolidated Financial Statements. The company acquired 99.99% interest on 01.06.2018 in the Subsidiary Company, SSBA Insurance Brokers Private Limited, a company incorporated in India.

### **3. Recent accounting pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose Restated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### **Balance Sheet :**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### **Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone restated financial statements.
- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### **Standards amended during the year:**

#### **Amendments to Ind AS 1 and Ind AS 8 – Definition of “material”**

Application of new and revised Indian Accounting Standards (Ind AS)

The Group has applied all the Ind ASs notified by the Ministry of Corporate Affairs (MCA). Recent pronouncements on June 18, 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

#### Ind AS 116 - COVID-19-Related Rent Concessions:

The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated, and therefore the practical expedient relating to rent concessions arising as a consequence of COVID-19 has been modified. Accordingly, lessees are now exempted from assessing whether a COVID-19-related rent concession is a lease modification, if the reduction in lease payments affects only payments originally due on or before June 30, 2022. Earlier the practical expedient was allowed only for lease payments originally due on or before June 30, 2021. A lessee should apply the amendments for annual reporting periods beginning on or after April 1, 2021. The Group does not expect any impact on its financial statements due to this amendment.

#### Interest Rate Benchmark Reform –

Phase 2: This amendment relates to 'Interest Rate Benchmark Reform –

Phase 2 (Amendments to Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)' which addresses issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. Some of the key amendments arising from the interest rate benchmark are:

#### Ind AS 109:

New guidance has been included on changes in the basis for determining the contractual cashflows as a result of interest rate benchmark reform. An entity should apply the amendments for annual reporting periods beginning on or after April 1, 2021.

#### Ind AS 107:

Additional disclosures related to nature and extent of risks to which the entity is exposed from financial instruments subject to interest rate benchmark reform and how the entity manages these risks. An entity should apply the amendments when it applies amendments to Ind AS 109, Ind AS 104 or Ind AS 116.

The Group does not expect the amendments to have any significant impact in its financial statements.

Amendments to Ind AS consequential to Conceptual Framework under Ind AS:

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications.

#### **4. Basis of preparation of restated Financial Statements**

##### **4.1 Statement of Compliance**

These Restated Consolidated Financial Statements have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act and other accounting principles generally accepted in India for the purpose of restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") in relation to the proposed initial public offering of the Company. These Consolidated Restated Financial Information shall therefore not be suitable for any purpose other than as disclosed in this note.

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest thousands ('000), except when otherwise indicated.

##### **4.2 Basis of Preparation**

The Restated Financial Information of SSBA Innovations Limited (Formerly known as SSBA Innovations Private Limited) and its subsidiary (collectively, the "Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, a summary of Statement of Significant Accounting policies and other explanatory information (Collectively referred to as, the "Restated Consolidated Financial Information"), prepared by the Management of the Company and as approved by the Board of Directors of the Company at their meeting held on July 27, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("RHP") and prospectus (Collectively mentioned as offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "Act");
- (ii) Relevant provisions application to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

**The Restated Financial Information have been complied by the Management from :**

- a. Audited Consolidated financial statements as at and for year ended March 31, 2022 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 27, 2022.
- b. Audited Special purpose Consolidated financial statements as at and for year ended March 31, 2021 prepared in accordance with Note 2 of Annexure V of Restated Consolidated Financial Information for the limited purpose of complying with the requirement of relevant provisions of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.
- c. Audited Special Purpose Consolidated financial statements as at and for year ended March 31, 2020 prepared in accordance with Note 2 of Annexure V of Restated Consolidated Financial Information for the limited purpose of complying with the requirement of relevant provisions of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.

**The Restated Financial Information**

- d. Have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2022, as more fully described in [Note 5 of Annexure V] to the Restated Consolidated Financial Information;
- e. do not require any adjustment for modification as there is no modification in the underlying audit reports on the financial information referred above.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the Special Purpose Consolidated Financial Statements / Consolidated financial statements mentioned above.

**5. Principles of Consolidation & Equity Accounting**

**Subsidiaries :**

Subsidiary is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Restated Financial Statements present the results of SSBA Innovations Ltd. and its subsidiary as if they form a single entity. Non-controlling interests in the results and equity of subsidiary are shown separately in the restated statement of profit and loss, statement of changes in equity and balance sheet respectively.

**Subsidiary considered in the Restated Financial Statements:**

Name of the Company	Country of Incorporation	Ownership Interest (in %)		
		March 31, 2022	March 31, 2021	March 31, 2020
SSBA Insurance Broker Pvt. Ltd.	India	99.99	99.99	99.99

### Historical Cost Convention

The restated consolidated financial statements have been prepared on a historical cost basis, except for the Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

### Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 6. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods. The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies-



- Revenue Recognition
- Useful lives of Property, Plant and Equipment
- Fair value of financial assets and financial liabilities
- Provision for employee benefits
- Provision for taxation
- Accounting for Business Combinations
- Assessment of going concern
- Useful lives of Intangible Assets

### **Functional & Presentation Currency**

The Restated Consolidated Financial Statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest Thousands (up to two decimals).

## **7. Significant Accounting Policies**

### **a. Current v/s Non Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

### **b. Revenue Recognition**

The Company has adopted Ind-AS 115 "Revenue from Contracts with Customers".

#### **Operating Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The company derives its revenue from providing various

technical and consultancy services such as ITR filing, GST Return Filing, Portfolio Management, Tax Planning, Responding to Notices from the Income Tax Department and providing tax consultancy services.

The Company recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 3-step approach is used to recognize revenue as below:

Step 1: Services and contracts are available on the website of the company, having fixed price to it for performance of specific contract.

Step 2: Customer approaches the company to perform the contract.

Step 3: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. If a single contract includes more than one performance obligation, revenue is recognized on completion of each performance obligation based on the standalone prices of each performance obligation.

The Company provides complimentary service of responding to income tax notices along with filing of income tax return. As responding to income tax notice is a separate performance obligation having standalone prices, the same should be shown as deferred revenue in which the income tax return is filed. It shall be shown as revenue in the year of completion of service or at the end of next year, whichever is earlier.

As per the income tax website, only 0.98% of the taxpayers get selected for scrutiny notices. Taking the same into consideration, such complimentary services have been provided and hence the revenue component related to complimentary services imbibed in the total revenue is very minimal. Thus, the standalone prices of responding to income tax notices cannot be taken into consideration for deferment of revenue but an overall of 5% of the total revenue generated from filing income tax return shall be deferred for one year. Such amount is shown under Current Liabilities as Unearned revenue which represents billings in excess of revenue recognized.

Any discount or rebate in any form, including cash discounts is recorded as a reduction from revenues.

#### **Other Income ;**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is accounted in the period in which the right to receive the same is established.

#### **Sale on Investments:**

Difference between the sale price and fair value of investment as determined at the end of the previous year is recognized as profit or loss on sale / redemption on investment on trade date of transaction.

c. **Property, Plant & Equipment (PPE)**

**Presentation**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**Subsequent expenditure and componentization**

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

**Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its useful life as prescribed in Schedule II to the companies Act, 2013 on diminishing value basis. Depreciation on recognition is provided on pro-rata basis from the date of such additions. Depreciation on de-recognition or disposal of the same is provided on pro-rata basis till the date of such derecognition or disposal.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Residual value is taken at the rate of 5% which notified under Schedule II of Companies Act 2013. Class of tangible fixed assets and their estimated useful life is as under:

<b>Asset</b>	<b>Useful Life</b>
Furniture and Fixtures	10 years
Computer/ Laptop	3 years
Invertor	5 years

**d. Intangible Assets & Intangible Assets under Development**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible asset are measured on initial recognition at cost. The cost comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset

The Company has developed in-house software namely **Tax Buddy** which is already in use and is in the process of in-house development of another software namely **Finbingo** and is still under development phase as on March 31, 2022. Accordingly, the directly attributable costs for developing such software which have been reliably measured are capitalized as the company envisages future economic benefits from such software. Also, the company has Technical and Financial resources to complete the software for its intended use

**Useful Life and Amortisation of Intangible Assets**

Once the intangible asset under development is ready for its intended use then they are amortized on straight line basis over their respective useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Class of intangible assets and their estimated useful life is as under-

<b>Asset</b>	<b>Useful Life</b>
Patent	10 years
Taxbuddy Software	10 years

### **Intangible under development**

Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

### **e. Loans & Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **f. Borrowing Cost**

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

However, the company has not incurred any borrowing cost.

### **g. Inventories**

Since, the company is in the business of providing services, the company does not have any inventory.

### **h. Taxes**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

### **Current Tax**

Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax

expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred Tax**

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in equity in the same or different period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

On account of prudence, deferred tax assets are not created on business losses.

#### **i. Retirement & Other Employee Benefits**

##### **(a) Short-term employee benefits:**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service.

##### **(b) Post-employment benefits:**

#### **Defined Contribution Plans**

Benefit in the form of provident fund, Family Pension Fund & Employees State Insurance Scheme is a defined contribution scheme. The Company's contributions to these schemes are recognized as expense in Profit and Loss Statement during the period in which the employee renders the related services.

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

### **Defined benefit plans**

The Company provides for gratuity obligation through a Defined Benefit Retirement Plan (“The Gratuity Plan”) covering its employees. The present value of the obligation under such Defined plan is determined based on actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The current service cost and interest cost are recognized in Profit & Loss Statement as and when determined.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognized in other comprehensive income

#### **j. Share Based Payment**

The company at present does not provide any form of equity settled instruments or cash settled instruments to its employees.

#### **k. Impairment of non-financial Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. At each year end, assets are broadly evaluated for impairment. Provision for impairment of asset is made only if the recoverable amount of the asset goes below the carrying amount of the asset.

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an assets or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **l. Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in Ind AS Restated Consolidated financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

The contingent liabilities have been disclosed at Note No. 30.

**m. Cash & Cash Equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**n. Cash Flow Statement**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transaction of non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**o. Earnings per Share**

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares during the year.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33.

**p. Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a. the contract involves the use of an identified asset
- b. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- c. the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any



initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **Short-term leases and leases of low-value assets**

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **q. Segment Reporting**

Based on internal reporting provided to the Chief operating decision maker, the Company's operations predominantly related to sale of services rendered from software related to return filing and wealth management. Accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

#### **r. Financial Instruments**

##### **Financial Assets**

##### **Initial recognition and measurement:**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### **Subsequent measurement:**

##### **Financial assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at fair value through profit OR loss (FVTPL)**

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company use 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further the Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At all reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

### **Financial liabilities**

#### **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

#### **Subsequent measurement:**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

#### **Accordingly, Financial Assets & Liabilities have been recorded as under:-**

- **Financial Assets - Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

- **Financial Assets -Non Current Investments**

Investments consist of investments in mutual funds which are measured at fair value through Profit and Loss Account.

- **Financial Assets- Current and Non Current Assets**

All Current and Non-Current Assets are carried at cost.

- **Financial Liabilities - Trade payables**

Trade payables are non-interest-bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

- **Financial Liabilities – Long Term and Short term Borrowings**

Short Term Borrowings are measured at Cost as the carrying amount approximates its fair value. Long term Borrowings are made from promoters and shareholders and are carried at cost.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

**s. Exceptional items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

**t. Securities premium**

Securities premium include, the difference between the face value of the equity shares and the consideration received in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium.

**SSBA Innovations Limited**

(Formerly Known as SSBA Innovations Private Limited)

(All amount in Indian Rupees thousand, unless otherwise specified)

**1 - Property, Plant & Equipment and 2 - Intangible Assets**

Property, Plant and Equipment	TANGIBLE ASSETS				INTANGIBLE ASSETS		
	Particulars	Furniture and Fixtures	Computer/Laptop	Inventor	Total	Patents	Tax Buddy Software
<b>Gross Carrying Value as at 01-04-2019</b>	24.00	-	37.55	<b>61.55</b>	27.75	-	<b>27.75</b>
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
<b>Balance as at 31-03-2020</b>	<b>24.00</b>	-	<b>37.55</b>	<b>61.55</b>	<b>27.75</b>	-	<b>27.75</b>
Additions	-	-	-	-	-	43,108.28	<b>43,108.28</b>
Disposal	24.00	-	37.55	<b>61.55</b>	-	-	-
<b>Balance as at 31-03-2021</b>	-	-	-	-	<b>27.75</b>	<b>43,108.28</b>	<b>43,136.03</b>
Additions	-	226.00	-	<b>226.00</b>	-	3,637	<b>3,637</b>
Disposal	-	-	-	-	-	-	-
<b>Balance as at 31-03-2022</b>	-	<b>226.00</b>	-	<b>226.00</b>	<b>27.75</b>	<b>46,745.30</b>	<b>46,773.05</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 01-04-2019</b>	1.75	-	2.41	<b>4.16</b>	0.84	-	<b>0.84</b>
Depreciation for the Year	5.74	-	15.79	<b>21.53</b>	2.78	-	<b>2.78</b>
Disposal	-	-	-	-	-	-	-
<b>Balance as at 31-03-2020</b>	<b>7.50</b>	-	<b>18.20</b>	<b>25.69</b>	<b>3.61</b>	-	<b>3.61</b>
Depreciation for the Year	2.14	-	4.37	<b>6.51</b>	2.78	2,155.41	<b>2,158.19</b>
Disposal	9.64	-	22.57	<b>32.21</b>	-	-	-
<b>Balance as at 31-03-2021</b>	-	-	-	-	<b>6.39</b>	<b>2,155.41</b>	<b>2,161.80</b>
Depreciation for the Year	-	102.77	-	<b>102.77</b>	2.78	4,310.83	<b>4,313.60</b>
Disposal	-	-	-	-	-	-	-
<b>Balance as at 31-03-2022</b>	-	<b>102.77</b>	-	<b>102.77</b>	<b>9.16</b>	<b>6,466.24</b>	<b>6,475.40</b>
<b>Net Carrying Value</b>							
As at 31-03-2020	16.51	-	19.35	<b>35.85</b>	24.14	-	<b>24.14</b>
As at 31-03-2021	-	-	-	-	21.36	40,952.87	<b>40,974.23</b>
As at 31-03-2022	-	123.23	-	<b>123.23</b>	18.59	40,279.06	<b>40,297.65</b>

**SSBA Innovations Limited**

(Formerly Known as SSBA Innovations Private Limited)

(All amount in Indian Rupees thousand, unless otherwise specified)

**3. INTANGIBLE ASSETS UNDER DEVELOPMENT**

Intangibles Assets under Development	Amount in CWIP for a period of (March 31, 2022)				Total	Amount in CWIP for a period of (March 31, 2021)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress</b>										
Wealth Management Software	12,905.80			22,979.21	35,885.01				22,979.21	22,979.21
<b>Projects suspended</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>35,885.01</b>					<b>22,979.21</b>

There are no projects under CWIP, whose completion is over due or has exceeds its cost compared to its original plan or temporarily suspended.

Intangibles Assets under Development	Amount in CWIP for a period of (March 31, 2021)				Total	Amount in CWIP for a period of (March 31, 2020)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress</b>										
Tax Buddy Software	-	-	-	-	-	-	-	43,108.28	-	43,108.28
Wealth Management Software	-	-	-	22,979.21	22,979.21	-	-	-	10,635.93	10,635.93
<b>Projects suspended</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>22,979.21</b>					<b>53,744.22</b>

There are no projects under CWIP, whose completion is over due or has exceeds its cost compared to its original plan or temporarily suspended.

Intangibles Assets under Development	Amount in CWIP for a period of (March 31, 2020)				Total	Amount in CWIP for a period of (March 31, 2019)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress</b>										
Tax Buddy Software	-	-	43,108.28	-	43,108.28	-	-	10,546.78	-	10,546.78
Wealth Management Software	-	-	-	10,635.93	10,635.93	-	-	-	10,085.22	10,085.22
<b>Projects suspended</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>					<b>53,744.22</b>					<b>20,632.00</b>

There are no projects under CWIP, whose completion is over due or has exceeds its cost compared to its original plan or temporarily suspended.

**4. Lease**

This note provides information for leases where the Group is a lessee. The Group has leased a rental premises for office purpose from the financial year 2020-21. As per IND AS 116 ROU asset and Lease Liability has been recognized in the balance sheet for payment of lease rentals

**i. Amount Recognised in Balance Sheet**

The Balance Sheet shows the following amounts related to lease

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<u>Right to Use Assets</u>			
Buildings	348.29	580.48	-
<b>Total</b>	<b>348.29</b>	<b>580.48</b>	-
<u>Lease Liabilities</u>			
Current	243.90	187.45	-
Non-Current	112.81	356.71	-
<b>Total</b>	<b>356.71</b>	<b>544.16</b>	-

**ii. Movement of Rights to Use Asset**

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Class of Assets - Buildings			
Opening Balance	580.48	-	-
Add: Additions/Modification during the year	-	696.57	-
Less: Depreciation charged for the year	232.19	116.10	-
Closing Balance	348.29	580.48	-
<b>Net carrying value as at year end</b>	<b>348.29</b>	<b>580.48</b>	-

**iii. Movement of Lease Liabilities**

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening Balance	544.16	-	-
Add: Additions during the year	-	696.57	-
Add: Interest on Lease Liability during the year	41.37	27.83	-
Less: Payment of Lease Liability	228.82	180.25	-
<b>Closing Balance</b>	<b>356.71</b>	<b>544.16</b>	-
Long Term Lease Liability	112.81	356.71	-
Short Term Lease Liability ( 12 months)	243.90	187.45	-

**iv. The aggregate depreciation expense on ROU assets is included in depreciation and amortization expense in the statement of profit and loss.**

The impact of changes in accounting policy on adoption of IND AS 116 is as follows:

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Decrease in Property, Plant and Equipment by	-	-	-
Increase in Lease Liability by	356.71	544.16	-
Increase in ROU Asset (net of depreciation) by	348.29	580.48	-
Increase / (Decrease) in Finance Costs	41.37	27.83	-
Increase / (Decrease) in Depreciation	232.19	116.10	-
Increase / (Decrease) in Rent	228.82	180.25	-

**v. Amounts recognised in the statement of Profit and Loss**

The statement of profit and loss shows the following amounts relating to lease

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Depreciation charge for ROU Assets	232.19	116.10	-
Interest Expenses (Included in Finance Costs)	41.37	27.83	-
<b>Total</b>	<b>273.56</b>	<b>143.93</b>	-

vi. Amounts recognised in the Cash Flow Statements :

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Total Cash (outflow) for lease</b>	<b>(228.82)</b>	<b>(180.25)</b>	<b>-</b>

5. CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
A. Unquoted, Equity Instruments Associated Journal Ltd			
B. Quoted, Equity Instruments  Fair Value through Profit & Loss Account A. Quoted Mutual Funds (7536.809 Units) Aditya Birla Sunlife Mututal Fund	-	5,001.00	-
<b>Total</b>	<b>-</b>	<b>5,001.00</b>	<b>-</b>

Note 5.1

Category wise Investments -Non current	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Financial Assets measured at cost	-	-	-
Fair Value through Profit & Loss Account	-	5,001.00	-
<b>Total Investments-Non current</b>	<b>-</b>	<b>5,001.00</b>	<b>-</b>

Note 5.2

PARTICULARS	-	-	-
Aggregate value of Quoted investments	-	5,001.00	-
Aggregate value of Unquoted investments	-	-	-
Aggregate Market value of Quoted investments	-	5,001.00	-

6. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Undisputed trade Receivable -Considered good			
Less than six months	1,867.98	578.55	15.88
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>1,867.98</b>	<b>578.55</b>	<b>15.88</b>
(ii) Undisputed trade Receivable - which have significant increase in credit risk		-	-
(iii) Undisputed trade Receivable - credit impaired	95.34	-	-
(iv) Disputed trade Receivable -Considered good	-	-	-
(v) Disputed trade Receivable - which have significant increase in credit risk	-	-	-
(vi) Disputed trade Receivable - credit impaired			
Less: Allowance for credit losses	(28.36)	-	-
<b>Total</b>	<b>1,744.28</b>	<b>578.55</b>	<b>15.88</b>

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**7. CASH AND CASH EQUIVALENTS**

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balances with Banks in Current accounts	806.91	15,371.03	1,258.68
Cash on hand			
Cash (As Certified by Director)	6.37	63.39	2.74
Fixed Deposits having maturity within 12 months	108.93	54.95	-
<b>Total</b>	<b>922.21</b>	<b>15,489.37</b>	<b>1,261.42</b>

**8. LOANS AND ADVANCES**

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Unsecured, considered good	-	-	-
Security Deposit - Rent	-	-	500.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>500.00</b>

**9. OTHER CURRENT ASSETS**

<b>PARTICULARS</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
GST Receivable	12,658.07	4,666.52	4,331.30
TDS Receivable	1,077.30	-	4.24
Prepaid Expenses	339.25	-	-
Advance against salary	37.36	-	-
Advance to Suppliers	193.21	-	-
<b>Total</b>	<b>14,305.19</b>	<b>4,666.52</b>	<b>4,335.54</b>



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**10. SHARE CAPITAL**

PARTICULARS	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b> 95,00,000 (March 31, 2021:80,00,000 ; March 31, 2020: 80,00,000) Equity Shares of Rs. 10/- each with voting rights	95,000.00	80,000.00	80,000.00
	<b>95,000.00</b>	<b>80,000.00</b>	<b>80,000.00</b>
<b>Issued, Subscribed and Fully Paid-up</b> 94,28,517 (March 31, 2021: 76,73,481; March 31, 2020: 62,43,500) Equity Shares of Rs. 10/- each with voting rights	94,285.17	76,734.81	62,435.00
<b>Total</b>	<b>94,285.17</b>	<b>76,734.81</b>	<b>62,435.00</b>

The company has only one Class of Shares referred to as Equity Shares having par value of Rs.10/-. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the financial year 2021-22, the authorised share capital of the company has increased from Rs. 80,000,000 to Rs. 95,000,000 pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company held on November 23, 2021

In the financial year 2019-20, the authorised share capital of the company has increased from Rs. 30,000,000 to Rs. 80,000,000 pursuant to the approval of the shareholders at the Extraordinary General Meeting of the Company as under:

Increase from 30,000,000 to 40,000,000 - EGM dated August 27, 2019

Increase from 40,000,000 to 60,000,000 - EGM dated September 22, 2019

Increase from 60,000,000 to 80,000,000 - EGM dated March 5, 2020

**10.1 THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:**

PARTICULARS	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No of Shares	(In Rs.)	No of Shares	(In Rs.)	No of Shares	(In Rs.)
Equity shares at the beginning of the year	7,673,481	76,734.81	6,243,500	62,435.00	2,481,000	24,810.00
Add: Shares Issued during the year	1,755,036	17,550.36	1,429,981	14,299.81	3,762,500	37,625.00
<b>Equity shares at the end of the year</b>	<b>9,428,517</b>	<b>94,285.17</b>	<b>7,673,481</b>	<b>76,734.81</b>	<b>6,243,500</b>	<b>62,435.00</b>

## 10.2 THE DETAILS OF SHAREHOLDERS HOLDING SHARES IN THE COMPANY

Equity shares with voting rights	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021		AS AT March 31, 2020	
	Name of shareholder	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held
<b>Equity shares with voting rights</b>						
Sujit Sudhakar Bangar	3,380,908	35.86%	2,928,583	38.16%	3,240,000	51.89%
Atul Umakant Rege	610,000	6.47%	210,000	2.74%	210,000	3.36%
Aparna Arun Morale	296,789	3.15%	-	-	908,500	14.55%
S A Trading	1,486,500	15.77%	1,486,500	19.37%	980,000	15.70%
M/s Emphyrean Enviro	1,219,917	12.94%	1,219,917	15.90%	-	-
M/s Zenith Multi Trading DMCC	1,289,546	13.68%	923,481	12.03%	-	-

### Shareholding of promoters;

Name of Promoters	Consolidated as at March 31, 2022			Consolidated as at March 31, 2021		
	Number of shares held	% of Holding	% change in holding	Number of shares held	% of Holding	% change in holding
<b>Equity shares with voting rights</b>						
Sujit Sudhakar Bangar	3,380,908	35.86%	15.45%	2,928,583	38.16%	-9.61%
Atul Umakant Rege	610,000	6.47%	190.48%	210,000	2.74%	0.00%

Name of Promoters	Consolidated as at March 31, 2020			Consolidated as at March 31, 2019		
	Number of shares held	% of Holding	% change in holding	Number of shares held	% of Holding	% change in holding
<b>Equity shares with voting rights</b>						
Sujit Sudhakar Bangar	3,240,000	51.89%	303.74%	802,500	12.85%	224.24%
Atul Umakant Rege	210,000	3.36%	0.00%	210,000	3.36%	2.44%

Rights, preferences and restrictions in respect of equity shares issued by the Company:

- The company has issued only one class of shares having a par value at Rs. 10 each. The equity shares of the Company having part value of Rs. 10/- rank pari-pasu
- The company has not declared any dividend.
- In the event of liquidation, share holders will be entitled to receive the remaining assets on the company after distribution of all preferential amount.

The company has allotted equity shares on right basis of having face value of Rs. 10/- each to all its existing share holders during the period

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**11. OTHER EQUITY**

PARTICULARS	AS AT MARCH 31, 2022		AS AT MARCH 31, 2021		AS AT March 31, 2020	
<b>Reserves and Surplus</b>						
<b>Securities Premium</b>						
As per Last Balance Sheet	30,474.87		-		-	
Add: On Issue of Equity Shares during the year	57,916.20		30,474.87		-	
		88,391.07		30,474.87		-
<b>Retained Earning</b>						
As per last Balance Sheet	(34,409.15)	-	(6,838.50)	-	(2,182.93)	-
Add: Profit/(Loss) for the Year	(88,634.91)		(27,528.83)		(4,459.65)	
Add : On Remeasurement of Defined Benefit Plans	(266.74)		(41.82)		(195.92)	
		(123,310.80)		(34,409.15)		(6,838.50)
<b>Total</b>		<b>(34,919.73)</b>		<b>(3,934.28)</b>		<b>(6,838.50)</b>

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**12. LONG TERM BORROWINGS**

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
<b>Unsecured Loans</b>			
From Directors	-	344.99	119.99
<b>Total</b>	<b>-</b>	<b>344.99</b>	<b>119.99</b>

**13. DEFERRED TAX LIABILITIES / (Assets) (NET)**

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
Deferred Tax Liability / (Assets)			
DT on account of PPE	3,014.32	842.57	(2.06)
DT on account of Preliminary expenses	(0.83)	(14.98)	(29.14)
DT on Defined benefit plans	(438.14)	(234.31)	(99.02)
DT on OCI - Defined beenfit plan	(177.25)	(83.53)	(68.84)
DT on deferred revenue income	(289.92)	(62.01)	(9.10)
DT on lease liability	(2.19)	9.44	-
<b>Total</b>	<b>2,105.99</b>	<b>457.18</b>	<b>(208.16)</b>

**14. PROVISIONS- NON CURRENT**

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
Provision for Gratuity(Refer to Note No. 38)	2,304.77	1,221.01	645.62
<b>Total</b>	<b>2,304.77</b>	<b>1,221.01</b>	<b>645.62</b>

**15. SHORT TERM BORROWINGS**

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
<b>Unsecured Loans repayable on demand :</b>			
From Directors / Share holders	20,994.70	11,080.00	-
<b>Total</b>	<b>20,994.70</b>	<b>11,080.00</b>	<b>-</b>

16. TRADE PAYABLES

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
<b>Total outstanding dues of Micro Enterprises and Small Enterprises</b>			
(i) Undisputed dues -MSME			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
Total	-	-	-
<b>Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises</b>			
(ii) Undisputed dues -Others			
Less than 1 year	1,553.81	394.86	1,280.55
1-2 years	-	909.03	515.70
2-3 years	522.93	515.70	-
More than 3 years	-	-	-
Total	<b>2,076.73</b>	<b>1,819.59</b>	<b>1,796.25</b>
(iii) Disputed dues -MSME	-	-	-
(iv) Disputed dues -Others	-	-	-
<b>Total</b>	<b>2,076.73</b>	<b>1,819.59</b>	<b>1,796.25</b>

17. OTHER FINANCIAL CURRENT LIABILITIES

Particulars	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
<b>Other Payables</b>			
Staff Salary Payable	4,722.31	613.85	1,672.03
Duties & Taxes	709.60	1,137.20	221.80
Others	50.88	45.89	35.88
Deferred Revenue (2019-2020)	-	-	37.13
Deferred Revenue (2020-2021)	-	203.50	-
Deferred Revenue (2021-2022)	876.58	-	-
<b>Total</b>	<b>6,359.37</b>	<b>2,000.44</b>	<b>1,966.83</b>

18. PROVISIONS - CURRENT

PARTICULARS	As on March 31,2022	As on March 31, 2021	As on March 31, 2020
Provision for Gratuity (Refer to Note No. 38)	62.14	1.47	-
<b>Total</b>	<b>62.14</b>	<b>1.47</b>	<b>-</b>

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**19. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Sale of Services</b>			
Revenue from Software services	20,332.11	4,718.32	744.44
Unearned income of earlier year recognised during the year	203.50	37.13	2.12
Unearned income during the year	(876.58)	(203.50)	(37.13)
<b>Total</b>	<b>19,659.03</b>	<b>4,551.95</b>	<b>709.43</b>

Contract balances :

Revenue from operations recognised is collected as per terms of the Contract. Trade receivables have been disclosed under Note 6, and deferred revenue disclosed under Note 17.

Information about major customers :

During the year, there is no revenue from a single customer which is more than 10 % of the company's total

**20. OTHER INCOME**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income From Financial Assets</b>			
Interest on Fixed Deposit	3.98	4.95	-
Gain on Mutual Funds	65.79	-	-
Other Income	-	-	13.48
<b>Total</b>	<b>69.77</b>	<b>4.95</b>	<b>13.48</b>

**21. OPERATING COST**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Software Operating Cost	3,508.15	3,864.81	-
<b>Total</b>	<b>3,508.15</b>	<b>3,864.81</b>	<b>-</b>

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**22. EMPLOYEE'S BENEFITS EXPENSE**

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary & Wages	30,224.81	6,639.43	200.00
Directors Remuneration	1,820.00	1,320.00	-
Employee Benefit expenses	1,941.00	950.75	178.47
Staff Welfare Expenses	295.75	2,093.46	59.01
<b>Total</b>	<b>34,281.56</b>	<b>11,003.64</b>	<b>437.48</b>

**23. FINANCE COST**

PARTICULARS	For the year ended 31 March	For the year ended 31 March	For the year ended 31 March
Interest on Lease Liability	41.37	27.83	-
<b>Total</b>	<b>41.37</b>	<b>27.83</b>	<b>-</b>

**24. DEPRECIATION AND AMORTIZATION EXPENSE**

PARTICULARS	For the year ended 31 March	For the year ended 31 March	For the year ended 31 March
Deprecation on Property, plant and Equipements (Note 1 & 2)	102.77	6.51	21.53
Deprecation on Right of use Assets (Note 5)	232.19	116.10	-
Amortisation of Intangible Assets (Note 1 & 2)	4,313.60	2,158.19	2.78
<b>Total</b>	<b>4,648.57</b>	<b>2,280.80</b>	<b>24.31</b>

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**25. OTHER EXPENSES**

PARTICULARS	For the year ended 31 March	For the year ended 31 March	For the year ended 31 March
<b><u>Auditors Remuneration</u></b>			
For Statutory Audit	125.00	10.00	10.00
For Other Consultancy	-	-	-
<b><u>Other than Auditors Remuneration</u></b>			
Advertising Expenses	46,796.14	8,886.41	2,634.08
Bad Debts	95.34	-	-
Bank Charges	25.71	47.55	19.75
Business Promotion Expenses	976.96	302.32	-
Business Support Services	-	216.80	118.00
Courier Charges	103.94	24.51	5.23
Electricity Expenses	-	14.38	70.20
Expected Credit Loss on Trade Receivables	28.36	-	-
H R Expenses	240.54	-	-
Interest on TDS	6.58	37.49	-
Laptop Rent	137.09	75.42	-
Legal & Professional Fees	13,453.94	2,261.94	-
Legal Fees	192.57	375.66	328.93
License renewal Fees	-	14.36	-
Office Expenses	111.57	145.34	217.11
Other Expenses	-	26.12	0.10
Printing & Stationery	427.95	-	21.01
Provision Written off	-	869.51	-
Rates and Taxes	119.11	10.40	7.50
Razorpay Commission	430.45	57.58	-
Rent Expenses	-	742.14	1,318.49
Repair & Maintenance	19.82	3.79	-
Sundry Balances Written off / written back	(202.79)	-	-
Telephone Expenses	1,013.59	101.11	14.43
Travelling Expense	39.69	5.81	-
<b>Total</b>	<b>64,141.55</b>	<b>14,228.61</b>	<b>4,764.84</b>



## 26. Tax Expenses :

### Deferred Tax

Calculation of Deferred Tax	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deferred Tax	(1,742.53)	(680.04)	44.05
<b>Total</b>	<b>(1,742.53)</b>	<b>(680.04)</b>	<b>44.05</b>

### Movement of deferred tax expenses during the period ended 31st March, 2022

Deferred Tax Liability / (Assets) in relation to	Opening Balance	Recognised in Profit & /loss	Recognised in OCI	Closing Balance
Deferred tax on Deprecation and Amortisation of PPE and Intangible assets	540.71	1,742.53	-	2,283.24
On expenses allowable on paymnet basis (OCI)	(83.53)	-	(93.72)	(177.25)
<b>Total</b>	<b>457.18</b>	<b>1,742.53</b>	<b>(93.72)</b>	<b>2,105.99</b>

### Movement of deferred tax expenses during the period ended 31st March, 2021

Deferred Tax Liability / (Assets) in relation to	Opening Balance	Recognised in Profit & /loss	Recognised in OCI	Closing Balance
Deferred tax on Deprecation and Amortisation of PPE and Intangible assets	(139.33)	680.04	-	540.71
On expenses allowable on paymnet basis (OCI)	(68.84)	-	(14.69)	(83.53)
<b>Total</b>	<b>(208.16)</b>	<b>680.04</b>	<b>(14.69)</b>	<b>457.18</b>

### Movement of deferred tax expenses during the period ended 31st March, 2020

Deferred Tax Liability / (Assets) in relation to	Opening Balance	Recognised in Profit & /loss	Recognised in OCI	Closing Balance
Deferred tax on Amortisation of PPE and expense allowable on payment basi	(95.28)	(44.05)	-	(139.33)
On expenses allowable on paymnet basis (OCI)	-	-	(68.84)	(68.84)
<b>Total</b>	<b>(95.28)</b>	<b>(44.05)</b>	<b>(68.84)</b>	<b>(208.16)</b>

Reconciliation of accounting profit	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Accounting (loss) before tax	(86,892.38)	(26,848.79)	(4,503.71)
Income tax rate	26%	26%	26%
At statutory income tax rate	(22,592.02)	(6,980.69)	(1,170.96)
Property, Plant and Equipement and intangible assets	1,742.53	680.04	(44.05)
Allowable on payment basis	(93.72)	(14.69)	(68.84)
Deferred tax not considered on Business loss and unabsorbed depreciation	22,592.02	6,980.69	1,170.96
<b>Total of Income tax expenses reported in the statement of profit &amp; loss account</b>	<b>1,648.81</b>	<b>665.34</b>	<b>(112.89)</b>

## 27. Earnings Per Share

Calculation of Earnings per Share	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Profit for the year attributable to owners of the company</b>	<b>(88,634.91)</b>	<b>(27,528.83)</b>	<b>(4,459.65)</b>
Weighted average number of ordinary shares outstanding for Basic EPS	8,256,645	6,934,500	3,928,986
Weighted average number of ordinary shares outstanding for Diluted EPS	8,256,645	6,934,500	3,928,986
<b>Basic Earnings Per Share(Rs.)</b>	<b>(10.73)</b>	<b>(3.97)</b>	<b>(1.14)</b>
<b>Diluted Earnings Per Share(Rs.)</b>	<b>(10.73)</b>	<b>(3.97)</b>	<b>(1.14)</b>

**28. Disclosure required by the Micro Enterprise and Small enterprise Development (MSMED) Act, 2006 are as under**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid at the end of the year	-	-	-
The delayed payments of principal amount paid beyond the appointed date during the year	-	-	-
Interest actually paid under Section 16 of MSMED Act	-	-	-
Normal interest due and payable during the year.	-	-	-
Total interest accrued during the year and remaining unpaid	-	-	-

**29. Corporate Social Responsibility**

No amount is required to be spent by the Group towards corporate social responsibility under Section 135 of the Companies Act, 2013.

**30. Contingent liabilities & Capital Commitments**

The Company has made various corporate filings with the ministry of corporate affairs since incorporation which had typographical errors and subsequently, the Company has intimated such corrections by filing requisite form with the ministry of corporate affairs. As of now, the Company has not received any kind of communication or notice from the ministry of corporate affairs regarding these typographical errors. However, we cannot assure that the ministry of corporate affairs may initiate appropriate action against the Company and may levy penalty against the Company in future. Hence, as of the date of the financial statement, we are unable to quantify the penalty

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities	Not Quantifiable	-	-
Commitments	-	-	-

### 31. Financial Instruments

#### Capital Management

The Group manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders

Capital Gearing Ratio	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Debt (Long Term Borrowing + Short Term Borrowing)	20,994.70	11,424.99	119.99
Less- Cash & Bank Balance	922.21	15,489.37	1,261.42
Net Debt	20,072.48	(4,064.38)	(1,141.43)
Total Equity	59,365.45	72,800.54	55,596.51
<b>Net debt to Equity Ratio (%)</b>	<b>33.81%</b>	<b>0%</b>	<b>0%</b>

The following table outlines the sources and exposure to risks and how the company manages these risks:

Risk	Credit Risk	Liquidity Risk	Market Risk- Interest rate risk	Market Risk- foreign currency risk
<b>Exposure Arising from</b>	Trade Receivables	Since the company does not have any outside borrowings, the company does not face any liquidity risk	Since the company does not have any bank borrowings or borrowings from outside parties, it does not face any interest risk	The company does not have any foreign currency transactions hence it does not have any foreign currency risk
<b>Measurement</b>	Ageing Analysis, Calculation of ECL,	-	-	-
<b>Management</b>	Ageing Analysis, Provision Matrix	-	-	-
<b>Market Risk- foreign currency risk</b>	The company does not have any foreign currency transactions hence it does not have any foreign currency risk	-	-	-

#### Liquidity Table

The following tables details the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Figures in Thousands of Rs)

Particulars	Consolidated as on March 31, 2022			
	Due in the 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
Borrowing (non interest bearing)	20,994.70	-	-	20,994.70
Trade payables (non interest bearing)	1,553.81	-	-	1,553.81
Lease liabilities (Non interest bearing)	243.90	112.81	-	356.71
Other financial liabilities (Non interest bearing)	6,359.37	-	-	6,359.37

Particulars	Consolidated as on March 31, 2021			
	Due in the 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
Borrowing (non interest bearing)	11,080.00	344.99	-	11,424.99
Trade payables (non interest bearing)	394.86	1,424.73	-	1,819.59
Lease liabilities (Non interest bearing)	187.45	356.71	-	544.16
Other financial liabilities (Non interest bearing)	2,000.44	-	-	2,000.44

Particulars	Consolidated as on March 31, 2020			
	Due in the 1 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year	Carrying amount
Borrowing (non interest bearing)	-	119.99	-	119.99
Trade payables (non interest bearing)	1,280.55	515.70	-	1796.253
Lease liabilities (Non interest bearing)	-	-	-	-
Other financial liabilities (Non interest bearing)	1,966.83	-	-	1966.83479

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

The Company gives a credit period of one week from the date of rendering services to its clients for making the payment.

On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables.

Of the total trade receivables, Rs. 1,744.28 as at March 31, 2022, Rs. 578.55 as at March 31, 2021 and Rs. 15.88 as at March 31, 2020 consisted of customer balances that were neither past due nor impaired. The Company's Credit risk management policies include categorizing the loans and trade receivables based on estimates of Probability of Default and calculation of Expected Credit Losses (ECL).

**Financial assets that are past due but not impaired**

The Company's credit period for customers generally ranges from 7-30 days. The ageing of trade receivables that are past due but not impaired is given below:

Period in days	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
1 - 30	-	-	-
31-180	1,744.28	578.55	15.88
More than 180	-	-	-
<b>Total</b>	<b>1,772.64</b>	<b>578.55</b>	<b>15.88</b>

**Reconciliation of the allowances for credit losses**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Balance as at April 1</b>	-	-	-
Provision made during the year	28.36	-	-
Trade receivables written off during the year	-	-	-
<b>Balance as at March 31</b>	<b>28.36</b>	-	-

### **32. Fair Value measurement (IND AS 113):**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or market for the asset or liability the principal or the most advantageous market must be accessible by Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### **Valuation Techniques and Inputs used**

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, the use of relevant observable inputs and the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement

For assets and liabilities that are recognised in the financial statements on a recurring basis, Company determines whether transfers have occurred between levels in the hierarchy by re-assessing (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **Quantitative Disclosure fair value measurement hierarchy** (Figures in thousand)

<b>Date of Valuation as on March 31, 2022</b>	<b>Fair Value Measurement using</b>			
	<b>At Amortised Cost</b>	<b>Quoted Prices (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets measured at Fair Value</b>				
Cash and Cash Equivalents	922.21	-	-	-
<b>Assets for which fair value is disclosed</b>				
Trade Receivables	1,744.28	-	-	-
<b>Liabilities measured at Fair Value</b>				

Long Term Borrowings	-	-	-	-
Short Term Borrowings	20,994.70	-	-	-
Trade Payables	2,076.73	-	-	-
Lease Liabilities	356.71	-	-	-
Other Financial Liabilities	6,359.37	-	-	-

**Quantitative Disclosure fair value measurement hierarchy**

(Figures in thousand)

Date of Valuation as on March 31, 2021	Fair Value Measurement using			
	Amortised Cost	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets measured at Fair Value</b>				
Cash and Cash Equivalents	15,489.37	-	-	-
Investments	-	5,001.00	-	-
<b>Assets for which fair value is disclosed</b>				
Trade Receivables	578.55	-	-	-
<b>Liabilities measured at Fair Value</b>				
Long Term Borrowings	344.99	-	-	-
Short Term Borrowings	11,080.00	-	-	-
Trade Payables	1,819.59	-	-	-
Lease Liabilities	544.16	-	-	-
Other Financial Liabilities	2,000.44	-	-	-

**Quantitative Disclosure fair value measurement hierarchy**

(Figures in thousand)

Date of Valuation as on March 31, 2020	Fair Value Measurement using			
	Amortised Cost	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets measured at Fair Value</b>				
Cash and Cash Equivalents	1,261.42	-	-	-
<b>Assets for which fair value is disclosed</b>				
Trade Receivables	15.88	-	-	-
<b>Liabilities measured at Fair Value</b>				
Long Term Borrowings	119.99	-	-	-
Short Term Borrowings	-	-	-	-
Trade Payables	1,796.25	-	-	-
Lease Liabilities	-	-	-	-
Other Financial Liabilities	1,966.83	-	-	-

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

The borrowing rate of the Company has been taken as the discount rate used for determination of fair value

### **33. Financial Instruments Disclosure (IND AS 107):**

#### **Classification of Financial Assets and Liabilities as per IND AS 107**

<b>Particulars</b>	<b>As on March 2022</b>	<b>As on March 2021</b>	<b>As on March 2020</b>
<b><u>Financial Assets at Cost</u></b>			
Non Current Investments	NIL	NIL	NIL
Trade Receivables	1,744.28	578.55	15.88
Cash and Cash Equivalents	922.21	15,489.37	1,261.42
Other Financial Assets	-	-	500.00
<b><u>Financial Assets at Market value</u></b>			
Current Investment	-	5,001.00	-
<b><u>Total Financial Assets</u></b>	<b>2,666.49</b>	<b>21,068.92</b>	<b>1,777.30</b>
<b><u>Financial Liabilities at Cost</u></b>			
Long-Term Borrowings	-	344.99	119.99
Non-Current Lease Liabilities	112.81	356.71	-
Other Non-Current Liabilities	-	-	-
Short-Term Borrowings	20,994.70	11,080.00	-
Current Lease Liabilities	243.90	187.45	-
Trade Payables	2,076.73	1,819.59	1,796.25
Other Current Liabilities	6,359.37	2,000.44	1,966.83
<b><u>Total Financial Liabilities</u></b>	<b>29,787.51</b>	<b>15,789.17</b>	<b>3,883.08</b>

### **34. Re-grouping and reclassification**

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

### **35. Events after the reporting period**

As on date, there have been few instances of event after the reporting date :

1. The Company has divested from their subsidiary M/s SSBA Insurance Brokers Pvt. Ltd on 11<sup>th</sup> May, 2022 and the same was approved by the Board in the meeting dated May 11<sup>th</sup>, 2022. This will not have any material adverse effect on the business of the company
2. The Board has approved issue of rights shares vide meeting dated April 30<sup>th</sup>, 2022 and the allotment of shares was done on 23<sup>rd</sup> May, 2022, aggregating to 565,711 shares at a price of Rs. 292/- per share.
3. The Company has granted Employees Stock Ownership Plan (ESOP) to various employees aggregating 115411 options which was approved by the Board in meeting dated May 23<sup>rd</sup>, 2022. Each option is carrying 1 share per option. Details of ESOP policy is already mentioned in Certificate no. 5 on ESOP
4. The company has amended its Articles of Associations for conversion from private limited company to public limited company thereby changing its name from SSBA Innovations Pvt. Ltd. to SSBA innovations Ltd. The same has been approved by Board in the meeting dated April 30<sup>th</sup>, 2022

### **36. Statement of restatement adjustment to audited consolidated financial statements**

#### **Reconciliation between audited equity and restated equity**

<b>Particulars</b>	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
<b>Equity (as per audited Consolidated Financial Statements)</b>	59,365.45	65,745.83	55,801.13
<b>Adjustments</b>			
Changes in Accounting Policies	-	-	-
Restatement adjustment	-	6,965.00	(215.84)
<b>Total Impact on adjustments</b>	-	-	-
<b>Total Equity as per restated consolidated assets and liabilities</b>	59,365.45	72,710.83	55,585.29

#### **Reconciliation between audited profit and restated profit**

<b>Particulars</b>	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
<b>Loss after Tax (as per audited consolidated financial statements )</b>	(88,901.65)	(35,129.99)	(4,271.85)
Restatement adjustments	-	7,480.86	(394.94)
Impact on account of Transition to Ind AS			-
<b>Tax Impact on the above adjustments</b>	-	-	-
<b>Total Impact on Adjustments</b>	-	-	-
<b>Restated Loss after tax for the Period/Year</b>	(88,901.65)	(27,649.13)	(4,666.79)

#### **Material Regrouping**

Appropriate regrouping has been made in the restated consolidated statements of assets and liabilities, profit or loss, cashflows, wherever required, in accordance with the Schedule III of Companies act, 2013 (revised MCA notification dated March 24, 2021) requirements of Ind AS and other applicable Ind AS principles and the requirements of SEBI (ICDR ) regulation 2018, as amended.



36(a) Ratios as per Schedule III requirements

(a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Current Assets	16,972	25,735	6,113
Current Liabilities	29,737	15,089	3,763
<b>Current Ratio (Times)</b>	<b>0.57</b>	<b>1.71</b>	<b>1.62</b>
% Change from previous period / year	-66.54%	5.00%	-

**Reason for change more than 25%**

Since the group has commenced commercial operation from 2017-18 and is still under the process of development, the current liabilities of the

group has increased in FY 2021-22 due to increase in short term borrowings required by the company for its development stage

(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Total Debt	20,995	11,425	120
Total Equity	59,365	72,801	55,597
<b>Debt Equity Ratio (Times)</b>	<b>0.35</b>	<b>0.16</b>	<b>0.00</b>
% Change from previous period / year	125.35%	N.A.	-

**Reason for change more than 25%**

Since the group has commenced commercial operation from 2017-18 and is still under the process of development, there is an increase in short term borrowing in FY 2021-22

(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments

The company does not have any interest bearing borrowings. Hence, the ratio is not applicable.

(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Profit/(Loss) for the year	-88,635	-27,529	-4,460
Total Equity	59,365	72,801	55,597
<b>Return on Equity Ratio (%)</b>	<b>-149.30%</b>	<b>-37.81%</b>	<b>-8.02%</b>
% Change from previous period / year	-294.84%	-371.41%	-

#### Reason for change more than 25%

Since the group has commenced commercial operation from 2017-18 and is still under the process of development, there is an increase in advertisement expenses in FY 2021-22 which is required for business promotion

(e) Inventory Turnover Ratio = Closing Inventory divided by Cost of Material Consumed plus Changes in Inventory in to 365/366

The Company is engaged in rendering of services. Hence, Inventory Turnover Ratio is not applicable.

(f) Trade Receivables Turnover Ratio = Credit Sales divided by Closing Trade Receivables in to 365/366

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Credit Sales	20,332	4,718	744
Closing Trade Receivables	1,744	579	16
<b>Trade Receivables Ratio (Days)</b>	<b>11.66</b>	<b>8.16</b>	<b>46.88</b>
% Change from previous period / year	42.93%	-82.60%	-

#### Reason for change more than 25%

Since the group has commenced commercial operation from 2017-18 and is still under the process of development, hence there is significant movement in ratios

(g) Trade payables turnover ratio = Closing trade payables divided by Cost of Materials Consumed in to 365/366

The Company is engaged in rendering of services. Hence, Trade Payables Turnover Ratio is not applicable.

(h) Net capital Turnover Ratio = Revenue from Operations divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Revenue from operations	20,332	4,718	744
Net Working Capital	-12,765	10,646	2,350
<b>Net Capital Turnover Ratio (Times)</b>	<b>-1.59</b>	<b>0.44</b>	<b>0.32</b>
% Change from previous period / year	-459.40%	39.88%	-

#### Reason for change more than 25%

Since the group has commenced commercial operation from 2017-18 and is still under the process of development, hence there is significant movement in ratios.

(i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	As at March 31,2022	As at March 31,2021	As at March 31,2020
Net Profit/(Loss) for the year	250 -88,635	-27,529	-4,460
Revenue from operations	20,332	4,718	744

<b>Ratio (Times)</b>	<b>(4.36)</b>	<b>(5.83)</b>	<b>(5.99)</b>
% Change from previous period / year	19.79%	2.52%	-

(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash

<b>Particulars</b>	<b>As at March 31,2022</b>	<b>As at March 31,2021</b>	<b>As at March 31,2020</b>
Profit/(Loss) before tax (A)	-86,892	-26,849	-4,504
Finance Costs (B)	41	28	-
Other income (C)	70	5	13
EBIT (D) = (A)+(B)-(C)	-86,921	-26,826	-4,517
Capital Employed- Pre Cash (K)=(E)+(F)+(G)-(H)-(I)-(J)	79,438	63,735	54,455
Total Equity (E)	59,365	72,801	55,597
Non-Current Borrowings (F)	-	345	120
Current Borrowings (G)	20,995	11,080	-
Current Investments (H)	-	5,001	-
Cash and Cash equivalents (I)	6	63	3
Bank balances other than cash and cash equivalents (J)	916	15,426	1,259
<b>Ratio (D)/(K) (%)</b>	<b>-109.42%</b>	<b>-42.09%</b>	<b>-8.30%</b>
% Change from previous period / year	-159.97%	-407.39%	

### 37. Related Party Disclosures

#### a. List of parties having significant influence

##### Subsidiary Company

SSBA Insurance Broker Private Limited

##### Key management personnel (KMP) and their Relatives

Atul Umakant Rege	Director of Company
Samir Jayaswal	Director of Company
Sujit Sudhakar Bangar	Director of Company
Shrenik Mahendra Doshi	CFO of Company
Sanjay Sharadchandra Godbole	CTO of Company
Supriya Utekar	CS of Company

##### Enterprises in which Key Management Personnel and their Relatives have significant influence

S A Trading	Director is partner
Empyrean Enviro	Director is partner
Empyrean Cashew Private Limited	Directors have significant influence
Aparna Sujit Bangar	Common Director company

#### b. Transactions during the year with Related Parties:

Party Name	Transactions	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
S A Trading	a) Loan Taken	-	6,130	-
Empyrean Cashew Private Limited	a) Rent Expenses	247.13	341.17	386.10
Aparna Bangar	a) Loan Taken	1,87,85.67	225.00	353.29
	b) Loan Repayment	7,830.67	-	283.29
	c) Reimbursement of Expenses	17,841.79	-	-
Samir Jayaswal	a) Salary Paid	1,030.00	880.00	1,900.75
Sanjay Godbole	a) Salary Paid	790.00	440.00	1,567.63
Sujit Bangar	a) Loan Taken	12,500.00	4950.00	-
	b) Loan Repayment	17,450.00	-	-
	c) Reimbursement of expenses	-	2832.83	-
Shrenik Doshi	a) Professional Fees Paid	398.70	-	-

#### c. Balance outstanding at the end of each year :

Party Name	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
S A Trading	6,130.00	6,130.00	-
Empyrean Cashew Private Limited	-	1,242.97	901.80
Samir Jayaswal	880.000	-	22.15

Sanjay Godbole	440.00	440.00	111.321
Sujit Bangar	614.67	5,564.67	-

### 38. **Employee Benefit Plans**

During the year, Company has recognized the following amount in the Defined Contribution plans of Provident Fund. Contributions are made to provident fund in India for employees at the rate of 12 % of basic salary as per regulations. The obligation of the Company is limited to the amount of disbursement required and it has no further contractual nor any constructive obligation. The obligation of the Company is limited to the amount of disbursement required and it has no further contractual no any constructive obligation.

The Company has recognized in the Restated statement of profit and loss towards expenses under defined contribution plans and included in 'contribution to provident and other funds' is as under :

Particulars	Consolidated for the year ended on 31 <sup>st</sup> march, 2022	Consolidated for the year ended on 31 <sup>st</sup> march, 2021	Consolidated for the year ended on 31 <sup>st</sup> march, 2020
Contribution to provident fund	1941.00	950.75	178.47

During the year, Company has recognized the following amounts in the financial statements on account of Defined Benefit Plan.

Defined benefits plan as per actuarial valuation and recognized in the financial statement in respect of Employee Benefits Scheme:

#### Disclosure Statement as per Ind AS 19: **Gratuity (Funded)**

Particulars	March 2022	March 2021	March 2020
<b>I) Assumptions</b>			
a) Expected Return on Plan Assets	N.A	N.A	N.A
b) Rate of Discounting	6.96%	6.33%	6.04%
c) Rate of Salary Increase	10.00%	10.00%	10.00%
d) Rate of Employee Turnover	10.00%	10.00%	10.00%
<b>II) Change in Present value of Projected Benefit Obligation</b>			
a) Present value of benefit obligation at beginning of the year	1,222.48	645.62	202.40
b) Current Service Cost	706.58	481.35	163.11
c) Interest Cost	77.38	38.99	15.36
d) Benefit Paid from the fund	-	-	-
e) Actuarial (gain)/loss on obligation	360.46	56.52	264.75
f) Present value of obligation as at end of the year	2,366.90	1,222.48	645.62

<b>III) Change in fair value of Plan Assets</b>			
a) Fair value of the Plan Assets at the beginning of the year	-	-	-
b) Interest Income	-	-	-
c) Contributions by the Employer	-	-	-
d) Benefit Paid from the fund	-	-	-
e) Return on Plan Assets, Excluding Interest Income	-	-	-
f) Fair value of Plan Assets at the end of the year	-	-	-
<b>IV) Amount Recognized in the Balance Sheet</b>			
a) Present value of benefit obligation at the end of the year	(2,366.90)	(1,222.48)	(645.62)
b) Fair Value of Plan Assets at the end of the year	-	-	-
c) Funded Status (Surplus/ (Deficit))	(2,366.90)	(1,222.48)	(645.62)
d) Net Liability / Asset Recognized in the Balance Sheet	(2,366.90)	(1,222.48)	(645.62)
<b>V) Expenses Recognized in the Statement of Profit &amp; Loss</b>			
a) Net Interest Cost	77.38	38.99	15.36
b) Current Service Cost	706.58	481.35	163.11
c) Expenses recognized in Profit & Loss Statement	783.96	520.35	178.47
<b>VI) Expenses Recognized in the Other Comprehensive Income (OCI) for Current period</b>			
a) Actuarial (Gains)/Losses on Obligation for the Period	360.46	56.52	264.75
b) Return on Plan Assets, Excluding Interest Income	-	-	-
c) Net (Income)/Expense For the Period Recognized in OCI	360.46	56.52	264.75
<b>VII) Sensivity Analysis</b>			
Projected Benefit Obligation on Current Assumptions	2,366.90	1,222.48	645.62
Delta effect of +1% change in rate of Discounting	(2,37.71)	(138.67)	(78.05)
Delta effect of -1% change in rate of Discounting	285.43	169.48	96.01
Delta effect of +1% change in rate of Salary Increase	250.20	149.98	87.05
Delta effect of -1% change in rate of Salary Increase	(223.48)	(132.65)	(75.48)
Delta effect of +1% change in rate of Employer Turnover	(92.58)		
Delta effect of -1% change in rate of Employer Turnover			

	102.81	(66.15)	(41.29)
	-	75.53	475.23

### 39. **First-time adoption of Ind AS**

#### **Transition to Ind AS**

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (The Group's date of transition).

In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The Group's financial position, financial performance and cash flows is set out as follows-

#### **A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### **A.1 Ind AS optional exemptions**

###### **A.1.1 Deemed cost for property, plant and equipment (PPE) & intangible assets**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Ind AS 101 permits a first-time adopter to elect to fair value of intangible assets or to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date.

The Group has elected to adopt the carrying value for all of its intangible assets as recognised in the financial statements as the deemed cost as at the date of transition to Ind AS.

###### **A.1.2 Fair valuation of financial instruments**

Ind AS 101 allows an entity to fair value the financial instruments for the first time on the date of transition to Ind AS instead of the date of acquisition. The Group has elected to apply this exemption for all its financial instruments existing on April 1, 2019 (the date of transition).

### A.1.3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

### A.2 Ind AS mandatory exceptions

#### A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP except as disclosed in Note 36. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

## B. Notes to first-time adoption

### B.1 Fair valuation impact of PPE as deemed cost

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition.

### B.2 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach and also to be recognised on all adjustments considered in the opening Ind AS balance sheet. The Group has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements in the respective periods.

### Key reconciliation required as per Ind AS 101 on transition to Ind AS

Reconciliation of statement of assets and liabilities as at April 1,2019				
PARTICULARS		As at April 1, 2019		
		Previous GAAP	Effect of Transition	As per Ind AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a	Property, Plant & Equipment	57.38	-	57.38
b	ROU Asset	-	-	-
c	Capital Work-In-Progress	-	-	-
d	Investment Property	-	-	-
e	Goodwill	-	-	-
f	Other Intangible Assets	-	(26.91)	26.91
g	Intangible Assets Under Development	20,657.59	25.59	20,632.00



	h	Financial Assets	-	-	-
		i) Non Current Investments	499.90	-	499.99
		ii) Long Term Loans & Advances	-	-	-
		iii) Other Financial Assets	-	-	-
	i	Non Current Tax Assets	0.30	(91.68)	91.98
	j	Other Non-Current Assets			
		<b>Total of non current Assets</b>	<b>21,215.17</b>	<b>(93.00)</b>	<b>21,308.26</b>
<b>Current Assets</b>					
	a	Inventories			
	b	Financial Assets			
		i) Investments	-	-	-
		ii) Trade Receivables	61.64	-	61.64
		iii) Cash and Cash Equivalents	55.87	-	55.87
		iv) Bank Balances other than (III) above	170.19	-	170.19
		v) Loans & Advances	-	-	-
		vi) Other Financial Assets	225.00	-	225.00
	c	Current Tax Assets	-	-	-
	d	Other Current Assets	2,076.70	-	2,076.70
		<b>Total of current Assets</b>	<b>2,589.40</b>	<b>-</b>	<b>2,589.39</b>
<b>TOTAL</b>					
			<b>23,804.57</b>	<b>(93.00)</b>	<b>23,897.65</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
	a	Equity Share Capital	24,810.00	-	24,810.00
	b	Other Equity	(2,048.85)	111.52	(2,160.36)
	c	Non controlling intrest	-	-	0.01
		<b>Total Equity</b>	<b>22,761.16</b>	<b>111.52</b>	<b>22,649.65</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
	a	Financial Liabilities			
		i) Borrowings	5.00	-	5.00
		ii) Lease Liability	-	-	-
		iii) Other Financial liabilities	-	-	-
	b	Deferred Tax Liabilities (Net)	-	-	-

c	Long-Term Provisions	-	(202.40)	202.40
d	Other Non-Current Liabilities	-	-	-
	<b>Total of Non-current liabilities</b>	<b>5.00</b>	<b>(202.40)</b>	<b>207.40</b>
<b>Current Liabilities</b>				
a	Financial Liabilities :			
	i) Short-Term Borrowings	-	-	-
	ii) Lease Liability	-	-	-
	iii) Trade Payables	-	-	-
	a) Total outstanding dues of other than Micro, small and Medium Enterprise	992.63	-	992.63
	a) Total outstanding dues of creditors of Micro, small and Medium Enterprise	-	-	-
	iv) Other Financial Liabilities	-	(2.12)	2.12
b	Provisions	45.87	-	45.87
c	Current Tax Liabilities (Net)	-	-	-
d	Other Current Liabilities	-	-	-
	<b>Total of current liabilities</b>	<b>1,038.50</b>	<b>(2.12)</b>	<b>1,040.62</b>
	<b>TOTAL</b>	<b>23,804.66</b>	<b>(93.00)</b>	<b>23,897.66</b>

<b>Reconciliation of statement of profit &amp; loss as at April 1,2019</b>			
<b>PARTICULARS</b>	<b>As at April 1, 2019</b>		
	<b>Previous GAAP</b>	<b>Effect of Transition</b>	<b>As per Ind AS</b>
<b>Income :</b>			
<b>Revenue From Operations</b>	55.77	2.12	53.65
<b>Other Income</b>	30.75	-	30.75
<b>Total Income</b>	<b>86.52</b>	<b>2.12</b>	<b>84.40</b>
<b>Expenses :</b>			
<b>Cost of material Consumed</b>	-	-	-
<b>Purchases of Stock - In - Trade</b>	-	-	-
<b>Changes in Inventories of Work-In-Progress &amp; Finished Goods</b>	-	-	-
<b>Employee Benefits Expense</b>	36.00		36.00
<b>Finance Costs</b>	4.27	4.27	-
<b>Depreciation and Amortization Expense</b>	6.33	1.33	5.00
<b>Other Expenses</b>	1,564.46	(4.27)	1,568.73
<b>Total Expenses</b>	<b>1,611.06</b>	<b>3.45</b>	<b>1,609.73</b>

<b>Profit / (Loss) Before Tax</b>	<b>(1,524.54)</b>	<b>3.45</b>	<b>(1,525.33)</b>
<b>Tax expense</b>	-	-	-
<b>Current Tax</b>	-	-	-
<b>Earlier Year Tax Adjustments</b>	-	-	
<b>Deferred Tax</b>	0.30	(0.00)	0.30
<b>Total Tax expense</b>	<b>0.30</b>	<b>(0.00)</b>	<b>0.30</b>
<b>Loss for the year</b>	<b>(1,524.84)</b>	<b>3.45</b>	<b>(1,525.03)</b>
<b>Other Comprehensive Income</b>	-	-	-
<b>Items that will not be subsequently reclassified to Profit or Loss :</b>	-	-	-
<b>Gain/(loss) on remeasurements of the defined benefits plan</b>	-	-	-
<b>Income tax (expenses)/income on remeasurements of the defined benefits plan</b>	-	(52.62)	52.62
<b>Total Comprehensive Income (net of tax)</b>	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>(1,524.84)</b>	<b>(49.17)</b>	<b>(1,472.41)</b>

#### 40. Estimation of uncertainties relating to the global health pandemic from COVID-19

SSBA Innovations Limited ("The Holding Company") has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising other assets, PPE & Intangibles etc., Based on current indicators of future economic conditions, M/s. SSBA Innovations Limited ("The Holding Company") expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of the special purpose interim financial statements. SSBA Innovations Limited ("The Holding Company") will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

#### 41. STANDARDS ISSUED BUT NOT EFFECTIVE

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 – Business Combination
- iii. Ind AS 109 – Financial Instrument
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

**For V. A. Parikh & Associates LLP**  
**Chartered Accountants**  
**FR No: 112787W/W100073**

**For and on behalf of Board of Directors**

**Nirav Parikh**  
**Partner**  
**Membership No. 121674**

**Sujit Sudhakar Bangar**  
**Director**  
**DIN - 07871115**

**Atul Umakant Rege**  
**Director**  
**DIN - 01235578**

**Place : Mumbai**  
**Date: 27<sup>th</sup> July, 2022**  
**UDIN: 22121674ANSQEN7957**

**Supriya Utekar**  
**Company Secretary**

**Shrenik Doshi**  
**CFO**

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*The following discussion is intended to convey our management's perspective on our financial condition and results of our operations. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or a Fiscal are to the twelve months ended March 31 of that year.*

*You should read the following discussion in conjunction with the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as of the financial years ended March 31, 2022, March 31, 2021, and March 31, 2020 including the related notes, schedules, and annexures. For further information, see "Financial Statements" beginning on page 202.*

*The Restated Financial Statements included in this Draft Red Herring Prospectus are prepared and presented in accordance with requirements of Section 26 of the Companies Act, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. This discussion may include certain forward looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors or contingencies, including those described below and elsewhere in, this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 24. Also read "Risk Factors" and "Management's Discussion And Analysis Of Financial Condition And Results Of Operation Factors affecting our results of operations" on pages 31 and 263, respectively, for a discussion of certain factors or contingencies that may affect our business, financial condition or results of operations. Unless otherwise indicated, the industry-related information contained in this section is derived from the Fitch Report. We commissioned and paid for such report for the purposes of confirming our understanding of the industry in connection with the Offer. For further details and risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports paid and commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 46.*

*Unless otherwise indicated, industry and market data used in this section has been derived from a report titled Industry Research Report on E-Filing of Income Tax returns in India dated July 19, 2022 ("**Fitch Solutions**"), issued by Fitch Solutions, appointed by us pursuant to an engagement letter dated April 30, 2022, and exclusively commissioned and paid for by us in connection with the Offer. Unless otherwise indicated, all industry and other related information derived from the Industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Fitch Solutions Private Limited was appointed by our Company and is not connected to our Company, our Directors, and our Promoters.*

### Overview

We are a technology-driven financial solutions and services platform focusing on providing end-to-end financial solutions in the area of tax planning and filing, personal investment advisory and wealth building to individuals, HUF, professionals, firms, and companies registered on our platforms (jointly referred to as the "**Users**") in India.

Our Company was incorporated on August 14, 2017 and thereafter we started working towards developing our product offerings in-house. Our first platform, TaxBuddy was launched in October, 2019, that offers assisted tax (ITR and GST) planning and filing, advisory and IT Notice Management ("**Tax Solutions**") and subsequently, our second platform, Finbingo was launched in May 2022, that offers financial solutions including planning, advisory and wealth management ("**Financial Solutions**"). Over the years, we have transformed from being an online tax filing platform to a one-stop-shop for end-to-end Tax Solutions and Financial Solutions provider at an affordable cost. According to Fitch, TaxBuddy also has over 5,600 google reviews with 4.9 rating on google reviews. Our platforms have an ISO 9001:2015 certificate for quality management system for providing AI based automated platform for service for filing of tax returns and wealth management by two module as taxbuddy.com and finbingo.com.

We also provide certain complementary services like tax calculator and access to direct mutual funds, to our Users on our platforms. Upon subscribing to the relevant subscriptions available on our platforms, our Users get converted to our subscribers ("**Subscribers**", which together with our Users, are our "**Customers**") We also provide free accidental insurance policies to our Subscribers as a part of value added services with the subscription plans offered through TaxBuddy, for which we have availed a group total protect policy with one of the insurance companies.

Our unique product offerings, inclusive of expert tax advice at optimal costs by way of leveraging technology, allows our Customers to have more control on personal tax and GST compliance, including but not limited to, personal finance and tax planning, goal based investments and investment portfolio tracking and analysis.



We offer our services mainly under two tech enabled platforms, developed in-house:

b. TaxBuddy:

This is an online platform available on mobile app, web browser as well as WhatsApp, which enables our Subscribers to file tax returns (ITR and GST) with the assistance of our tax experts, who are associated with us either as our employees (on permanent as well as temporary basis) or as our external consultants. (“**Tax Experts**”).

We have also entered into an arrangement with some e-commerce platform enabler companies, through which we provide tax compliance services and other services to their customers through TaxBuddy.

*Our Tax Solutions includes:*



As of June 30, 2022, we have entered into MoUs with some of the practicing tax professionals associated with us as external consultants from across India, including but not limited to Mumbai, Kolhapur, Delhi, Ahmedabad and Pune.

TaxBuddy.com has been emerging as front runner in tax advisory market due to focus in advisory automation. (Source: Fitch Report)

b. Finbingo

Finbingo is an online financial robo advisory platform, available via mobile as well on web browser, offering digital financial planning and mutual fund investment services to our Users in achieving their financial goals. According to Fitch, Robo-advisory market is expected to grow to USD 5.0 trillion by 2025. Finbingo offers various tools like Tax Planner, Wealth Builder, Portfolio Doctor including other financial calculators which users can use by themselves to get immediate financial advice. (Source: Fitch Report)

We have recently forayed into the direction of providing financial solutions and services through our platform, Finbingo. We are a member of BSE StarMF and have integrated Finbingo platform with BSE StarMF platform to provide our Users access to direct mutual funds, which are commission free. We currently have MoUs with certain financial services platforms like Axis Securities Limited which seamlessly offer Finbingo’s financial advisory services to their clients

Our Financial Solutions include:



### Revenue from Operations

Our revenue from operations from the two platforms for the Fiscals 2022, 2021 and 2020 are as follows:

(₹ in thousand)

Platform	Fiscal 2022	Fiscal 2021	Fiscal 2020
TaxBuddy	18,623.77	4,551.95	709.43
Finbingo*	1,035.26	-	-
<b>Total</b>	<b>19,659.03</b>	<b>4,551.95</b>	<b>709.43</b>

\*Our Finbingo platform was officially launched in May 2022. However, during FY 2022, we entered into an agreement with Axis Securities Limited for integrating Finbingo tools on their platform for providing services to their clients. This revenue is attributable to fees generated from such integration and from Subscribers accessing to beta version of the Finbingo.

### Performance Indicators

Set out below are certain key performance indicators

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
New Users (nos)	3,47,071	73,111	20,302
New Subscribers (nos)	16,398	4,630	1,360
Lead Conversion Ratio (%)	2	3	6
User Base (nos)	4,40,484	93,413	20,302
No. of subscriptions (nos)	19,202	5,700	1,360
Average revenue per User (ARPU)(in ₹)	999	828	547
Marketing and advertisement (₹ in thousand)	46,796.14	8,886.41	2,634.08
75% of marketing (₹ in thousand)	35,097.11	6,664.81	1,975.56
Cost of Acquisition per Client ("CAC")	2,029.63	1,325.17	1,646.30

### Financial metrics

Set out below are certain salient financial metrics from our Restated Financial Statements.

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue (₹ in thousand)	19,659.03	4,551.95	709.43
Revenue growth (%)	331.88	541.63	740.56
EBITDA* (₹ in thousand)	(82,202.44)	(24,540.16)	(4,479.40)
EBITDA Margin %**	(418.14)	(539.11)	(631.41)

\*Sum of profit before tax, depreciation and amortization, interest on borrowings and finance cost.

\*\*EBITDA / Revenue from operations.

#EBITDA / Capital employed i.e. Shareholders equity plus non-current liabilities

##PAT / Shareholder's equity.

### Factors affecting our results of operations

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

***a. We have recently launched a new platform, Finbingo and we cannot assure you if we will be able to attract Users and/or maintain our revenue generated from this platform.***

We have recently launched our new platform, Finbingo in May 2022 that is involved in providing Financial Solutions to our Users. As of June 30, 2022, we have only 872 Users, which is lower as compared to our Users for TaxBuddy. We cannot be sure that we will be successful in attracting and/or retaining Users for Finbingo. As of Fiscal 2022, our revenue from operations from Finbingo platform was ₹1,035.26 thousand, which was on account of an agreement entered by us with Axis Securities Limited for integrating the Finbingo tools on their platform for providing services to their clients and from Subscribers accessing the beta version of the Finbingo platform.

***b. We cannot be sure that we will be able to attract new Users and Customers to our platform, retain and grow our relationships with our existing Users or Customers.***

Our growth depends on our ability to acquire new Users and Customers to our platform, retain and grow our relationships with our existing Users and Customers, thereby increasing the number of subscriptions for the services provided to the Users and Customers on our platform. The growth of our subscription is driven by the number of Users on our platform and the growth of our Users' value. We rely on the continuing growth of our Users and our service offerings in order to expand our subscriptions and our operations. Our total number of Users has grown from 20,302 of March 31, 2020 to 4,40,484 as of March 31, 2022. Our total number of Subscribers has grown from 1,360 as of March 31, 2020 to 19,202 as of March 31, 2022. Our subscription has increased by 14.12x in the last three Fiscals. Further, once we onboard new Users on our platform, our subscription may not proportionately increase as our new Users take a period of time to subscribe to the services and solutions offered on our platform.

***c. Our efforts to acquire new Users and retain existing Users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue.***

A significant component of our growth strategy includes continually attracting new Users in a cost-effective manner. This comprises value-conscious, salaried Users who have a budget-led approach to filing income tax return and access the internet. A significant number of such Users are located in the Tier 2+ cities of India. We have a strong focus on catering to the service demand arising from Users in Tier 2+ cities of India. We plan to attract Users by promoting the affordability and assortment of the services listed on our platform, as well as ensuring a quality User experience. We believe that this will drive the growth of our revenue. We also typically incur significant marketing and business promotion expenses to promote our platform. For the Fiscals 2022, 2021 and 2020, our marketing and business promotion expense were ₹46,796.14 thousand, ₹8,886.41 thousand and ₹2,634.08 thousand, respectively. Our expenses towards marketing and business promotion may not effectively secure potential Users, potential Users may decide not to avail our service, or spend on our platform may not yield the intended return on investment, any of which could negatively affect our financial results.

***d. The seasonality of our business affects our quarterly results and places an increased strain on our operations.***

We are a technology-driven financial products and services platform focusing on providing end-to-end financial solutions in the area of tax planning and filing, personal investment advisory, wealth building etc. We have historically experienced seasonal fluctuation in the usage of our technology platform, with higher usage associated with the regulatory filings during the first, second and fourth quarters of each Financial Year. These seasonal variations in user demand subject our sector to a considerable degree of volatility. As a result, our revenue and profits may vary during different quarters of the Financial Year and certain periods may not be indicative of our financial position for a full Financial Year or future quarters or periods and may be below market expectations. Since our business is seasonal in nature, we are vulnerable to non-availability of adequate resources such as employees, tax experts, technical staff and software and hardware infrastructure to respond to the increased demand of request from Users and solutions during the peak filing season.

### **Recent Accounting Pronouncements and Changes in Accounting Policies**

There have been no changes in our accounting policies in the last three fiscal years/ periods

First Time adoption of Ind AS with effect from March 31, 2022.



These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 4 have been applied in preparing the financial statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (The Group's date of transition).

In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The Group's financial position, financial performance and cash flows is set out as follows-

## **A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

### **A.1 Ind AS optional exemptions**

#### **A.1.1 Deemed cost for property, plant and equipment (PPE) & intangible assets**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Ind AS 101 permits a first-time adopter to elect to fair value of intangible assets or to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date.

The Group has elected to adopt the carrying value for all of its intangible assets as recognised in the financial statements as the deemed cost as at the date of transition to Ind AS.

#### **A.1.2 Fair valuation of financial instruments**

Ind AS 101 allows an entity to fair value the financial instruments for the first time on the date of transition to Ind AS instead of the date of acquisition. The Group has elected to apply this exemption for all its financial instruments existing on April 1, 2019 (the date of transition).

#### **A.1.3 Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity investments.

### **A.2 Ind AS mandatory exceptions**

#### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP except as disclosed in Note 36. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

## **B. Notes to first-time adoption**

### **B.1 Fair valuation impact of PPE as deemed cost**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment as at the date of transition to Ind AS as its deemed cost as per Ind AS at the date of transition.

## **B.2 Deferred tax**

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach and also to be recognised on all adjustments considered in the opening Ind AS balance sheet. The Group has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements in the respective periods.

### **Our Critical Accounting Policies (as per Restated Financial Statements)**

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and disclosure of contingent liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and estimates used in the preparation of our financial statements. For more information on each of these policies, see the Restated Financial Statements included in this Draft Red Herring Prospectus.

1. The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications.

## **2. Basis of preparation of restated Financial Statements**

### **2.1 Statement of Compliance**

These Restated Consolidated Financial Statements have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act and other accounting principles generally accepted in India for the purpose of restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") in relation to the proposed initial public offering of the Company. These Consolidated Restated Financial Information shall therefore not be suitable for any purpose other than as disclosed in this note.

The Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to the nearest thousand ('000), except when otherwise indicated.

### **2.2 Basis of Preparation**

The Restated Financial Information of SSBA Innovations Limited (Formerly known as SSBA Innovations Private Limited) and its subsidiary (collectively, the "Group") comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021, and March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the years ended March 31, 2022, March 31, 2021, and March 31, 2020, a summary of Statement of Significant Accounting policies and other explanatory information (Collectively referred to as, the "Restated Consolidated Financial Information"), prepared by the Management of the Company and as approved by the Board of Directors of the Company at their meeting held on July 27, 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("RHP") and prospectus (Collectively mentioned as offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act as amended and any rules issued thereunder (the “Act”);
- (ii) Relevant provisions application to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- (iii) (The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

### **2.3 The Restated Financial Information have been complied by the Management from:**

- a) Audited Consolidated financial statements as at and for year ended March 31, 2022 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 27, 2022.
- b) Audited Special purpose Consolidated financial statements as at and for year ended March 31, 2021 prepared in accordance with Note 2 of Annexure V of Restated Consolidated Financial Information for the limited purpose of complying with the requirement of relevant provisions of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.
- c) Audited Special Purpose Consolidated financial statements as at and for year ended March 31, 2020 prepared in accordance with Note 2 of Annexure V of Restated Consolidated Financial Information for the limited purpose of complying with the requirement of relevant provisions of ICDR Regulations in relation to proposed IPO, which have been approved by the Board of Directors at their meeting held on June 27, 2022.

### **2.4 The Restated Financial Information**

- a) Have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended March 31, 2022, as more fully described in Note 5 of Annexure V to the Restated Consolidated Financial Information;
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports on the financial information referred above.
- c) These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the Special Purpose Consolidated Financial Statements / Consolidated financial statements mentioned above.

## **3. Principles of Consolidation & Equity Accounting**

### **Subsidiaries:**

Subsidiary is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Restated Financial Statements present the results of SSBA Innovations Ltd. and its subsidiary as if they form a single entity. Non-controlling interests in the results and equity of subsidiary are shown separately in the restated statement of profit and loss, statement of changes in equity and balance sheet respectively.

Subsidiary considered in the Restated Financial Statements:

Name of the Company*	Country of Incorporation	Ownership Interest (in %)		
		March 31, 2022	March 31, 2021	March 31, 2020
SSBA Insurance Broker Private Limited	India	99.99	99.99	99.99

*\*Our Company divested 100% of our stake from our subsidiary, SSBA Insurance Broker Private Limited to Sujit Sudhakar Bangar and Aparna Sujit Bangar with effect from May 11, 2022.*

### Historical Cost Convention

The restated consolidated financial statements have been prepared on a historical cost basis, except for the Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

### Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows-

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 4. Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if revision affects both current and future periods. The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies-

- Revenue Recognition
- Useful lives of Property, Plant and Equipment
- Fair value of financial assets and financial liabilities
- Provision for employee benefits

- Provision for taxation
- Accounting for Business Combinations
- Assessment of going concern
- Useful lives of Intangible Assets

#### Functional & Presentation Currency

The Restated Consolidated Financial Statements are presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest Thousand (up to two decimals).

### 5. Significant Accounting Policies

#### a. Current v/s Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

#### b. Revenue Recognition

The Company has adopted Ind-AS 115 "Revenue from Contracts with Customers".

#### Operating Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The company derives its revenue from providing various technical and consultancy services such as ITR filing, GST Return Filing, Portfolio Management, Tax Planning, Responding to Notices from the Income Tax Department and providing tax consultancy services.

The Company recognizes revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 3-step approach is used to recognize revenue as below:

Step 1: Services and contracts are available on the website of the company, having fixed price to it for performance of specific contract.

Step 2: Customer approaches the company to perform the contract.

Step 3: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. If a single contract includes more than one performance obligation, revenue is recognized on completion of each performance obligation based on the standalone prices of each performance obligation.

The Company provides complimentary service of responding to income tax notices along with filing of income tax return. As responding to income tax notice is a separate performance obligation having standalone prices, the same should be shown as deferred revenue in which the income tax return is filed. It shall be shown as revenue in the year of completion of service or at the end of next year, whichever is earlier.

As per the income tax website, only 0.98% of the taxpayers get selected for scrutiny notices. Taking the same into consideration, such complimentary services have been provided and hence the revenue component related to complimentary services imbibed in the total revenue is very minimal. Thus, the standalone prices of responding to income tax notices cannot be taken into consideration for deferment of revenue but an overall of 5% of the total revenue generated from filing income tax return shall be deferred for one year. Such amount is shown under Current Liabilities as Unearned revenue which represents billings in excess of revenue recognized.

Any discount or rebate in any form, including cash discounts is recorded as a reduction from revenues.

#### **Other Income:**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is accounted in the period in which the right to receive the same is established.

#### **Sale on Investments:**

Difference between the sale price and fair value of investment as determined at the end of the previous year is recognized as profit or loss on sale / redemption on investment on trade date of transaction.

### **c. Property, Plant & Equipment (PPE)**

#### **Presentation**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

#### **Subsequent expenditure and componentization**

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

## **Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The depreciable amount of PPE (being the gross carrying value less the estimated residual value) is depreciated over its useful life as prescribed in Schedule II to the Companies Act on diminishing value basis. Depreciation on recognition is provided on pro-rata basis from the date of such additions. Depreciation on de-recognition or disposal of the same is provided on pro-rata basis till the date of such derecognition or disposal.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Residual value is taken at the rate of 5% which notified under Schedule II of Companies Act. Class of tangible fixed assets and their estimated useful life is as under:

<b>Asset</b>	<b>Useful Life</b>
Furniture and fixtures	10 years
Computer/ laptop	3 years
Invertor	5 years

## **d. Intangible Assets & Intangible Assets under Development**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible asset are measured on initial recognition at cost. The cost comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset

The Company has developed in-house software namely Tax Buddy which is already in use and is in the process of in-house development of another software namely Finbingo and is still under development phase as on March 31, 2022. Accordingly, the directly attributable costs for developing such software which have been reliably measured are capitalized as the company envisages future economic benefits from such software. Also, the company has Technical and Financial resources to complete the software for its intended use

## **Useful Life and Amortisation of Intangible Assets**

Once the intangible asset under development is ready for its intended use then they are amortized on straight line basis over their respective useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with finite lives

are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Class of intangible assets and their estimated useful life is as under

Asset	Useful Life
Patent	10 years
TaxBuddy software	10 years

### **Intangible under development**

Costs incurred during research phase are charged to profit or loss in the year in which they are incurred. Development phase expenses are initially recognized as intangible assets under development until the development phase is complete, upon which the amount is capitalized as intangible asset.

### **e. Loans & Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### **Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **f. Borrowing Cost**

Borrowing cost include interest computed using Effective Interest Rate method, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalized as part of the cost of that asset which takes substantial period of time to get ready for its intended use. All other borrowings costs are expensed in the period in which they occur.

However, the company has not incurred any borrowing cost.

### **g. Inventories**

Since, the company is in the business of providing services, the company does not have any inventory.

### **h. Taxes**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

### **Current Tax**



Current tax expense is based on the taxable and deductible amounts to be used for the computation of the taxable income for the current year. A liability is recognized in the balance sheet in respect of current tax expense for the current and prior periods to the extent unpaid. An asset is recognized if current tax has been overpaid.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred Tax**

Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognized in profit or loss for the period, unless the tax arises from a business combination or a transaction or event that is recognized outside profit or loss, either in other comprehensive income or directly in equity in the same or different period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

On account of prudence, deferred tax assets are not created on business losses.

#### **i. Retirement & Other Employee Benefits**

##### **a) Short-term employee benefits:**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service.

##### **b) Post-employment benefits:**

#### **Defined Contribution Plans**

Benefit in the form of provident fund, Family Pension Fund & Employees State Insurance Scheme is a defined contribution scheme. The Company's contributions to these schemes are recognized as expense in Profit and Loss Statement during the period in which the employee renders the related services.

The cost of defined contribution plans is the contribution payable by the employer for that accounting period.

#### **Defined benefit plans**

The Company provides for gratuity obligation through a Defined Benefit Retirement Plan ('The Gratuity Plan') covering its employees. The present value of the obligation under such Defined plan is determined based on actuarial valuation. The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The current service cost and interest cost are recognized in Profit & Loss Statement as and when determined.

Remeasurement gains and losses comprise actuarial gains and losses, return on plan assets (comprise amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability or asset). Remeasurements are recognized in other comprehensive income.

#### **j. Share Based Payment**

The company at present does not provide any form of equity settled instruments or cash settled instruments to its employees.

#### **k. Impairment of non-financial Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. At each year end, assets are broadly evaluated for impairment. Provision for impairment of asset is made only if the recoverable amount of the asset goes below the carrying amount of the asset.

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### **l. Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in Ind AS Restated Consolidated financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

The contingent liabilities have been disclosed at Note No. 30.

#### **m. Cash & Cash Equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

#### **n. Cash Flow Statement**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transaction of non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### **o. Earnings per Share**

Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting the profit or loss and the weighted average number of ordinary shares by taking into account the conversion of any dilutive potential ordinary shares during the year.

Basic and diluted EPS are presented in the statement of profit and loss for each class of ordinary shares in accordance with IndAS 33.

#### **p. Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- a. the contract involves the use of an identified asset
- b. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- c. the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **Short-term leases and leases of low-value assets**

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **q. Segment Reporting**

Based on internal reporting provided to the Chief operating decision maker, the Company’s operations predominantly related to sale of services rendered from software related to return filing and wealth management. Accordingly, this is the only operating segment. The management committee reviews and monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment using profit or loss and return on capital employed.

#### **r. Financial Instruments**

## **Financial Assets**

### **Initial recognition and measurement:**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

### **Subsequent measurement:**

#### **Financial assets carried at amortised cost (AC)**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit OR loss (FVTPL)**

A financial asset which is not classified in any of the above categories are fair valued through profit or loss.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company use 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further the Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At all reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

## **Financial liabilities**

### **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

### **Subsequent measurement:**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

### **Accordingly, Financial Assets & Liabilities have been recorded as under:**

- Financial Assets - Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

- **Financial Assets -Non Current Investments**

Investments consist of investments in mutual funds which are measured at fair value through Profit and Loss Account.

- **Financial Assets- Current and Non Current Assets**

All Current and Non-Current Assets are carried at cost.

- **Financial Liabilities - Trade payables**

Trade payables are non-interest-bearing and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

- **Financial Liabilities – Long Term and Short term Borrowings**

Short Term Borrowings are measured at Cost as the carrying amount approximates its fair value. Long term Borrowings are made from promoters and shareholders and are carried at cost.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

### **s. Exceptional items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

### **t. Securities premium**

Securities premium include, the difference between the face value of the equity shares and the consideration received in respect of shares issued. The issue expenses of securities which qualify as equity instruments are written off against securities premium.

## **Principal components of income and expenditure**

Our revenue and expenditure are reported in the following manner:

### ***Income***

Total income comprises revenue from operations and other income.

### ***Revenue from operations***

Our revenue from operations majorly comprised of income earned from tax filing and sale of services related to wealth management. Tax filing income pertains to filing of income tax returns, GST returns, tax planning and advisory, responding to notices and other related services to Income Tax and GST.

### ***Other Income***

Our other income primarily consists of interest on fixed deposit and sale of investments.

### ***Expenses***

Our expenses primarily comprise of the following:

- *Operating cost*, which consists of expenses related to software and directly attributable to the business of our Company.
- *Employee benefits expense*, which primarily consists of salaries and wages, directors remuneration, employee benefit expenses and staff welfare expenses.
- *Finance costs*, which primarily consists of interest paid out on lease arrangements.
- *Depreciation and amortization expenses*, which primarily consists of property, plant and equipment, intangible assets and right-of-use assets.
- *Other expenses*, which majorly comprises of advertisement and marketing, legal and professional charges, travelling and conveyance expenses, rates and taxes, telephone expenses, bad debts and other miscellaneous expenses.

### ***Tax Expenses***

Elements of our tax expenses are as follows:

- *Deferred Tax*: Our deferred tax expenses consist of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

### ***Other comprehensive income***

Other comprehensive income consists of all the items of income and expense (including reclassification adjustments) that are not recognised in profit or loss.

### ***Total comprehensive income for the year***

Total comprehensive income for the year consists of profit for the year and other comprehensive income.

### **Our results of operations**

The following table sets forth our revenue from operations and other income for the Fiscals 2022, 2021 and 2020, in absolute terms and expressed as a percentage of our total income for such periods.

(₹ in thousand)

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
<b>Income</b>						
Revenue from Operations	19,659.03	99.65	4,551.95	99.89	709.43	98.14
Other income	69.77	0.35	4.95	0.11	13.48	1.86
<b>Total income</b>	<b>19,728.81</b>	<b>100.00</b>	<b>4,556.90</b>	<b>100.00</b>	<b>722.92</b>	<b>100.00</b>
<b>Expenses</b>						
Operating cost	3,508.15	17.78	3,864.81	84.81	-	-
Employee benefits expense	34,281.56	173.76	11,003.64	241.47	437.48	60.52
Finance costs	41.37	0.21	27.83	0.61	-	-
Depreciation and amortization expenses	4,648.57	23.56	2,280.80	50.05	24.31	3.36
Other expenses	64,141.55	325.12	14,228.61	312.24	4,764.84	659.11
<b>Total expenses</b>	<b>1,06,621.18</b>	<b>540.43</b>	<b>31,405.69</b>	<b>689.19</b>	<b>5,226.62</b>	<b>722.99</b>

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
<b>Restated Profit/Loss before tax</b>	<b>(86,892.38)</b>	<b>440.43</b>	<b>(26,848.79)</b>	<b>589.19</b>	<b>(4,503.71)</b>	<b>622.99</b>
<b>Tax expense:</b>						
Current tax	-	-	-	-	-	-
Earlier years tax adjustment	-	-	-	-	-	-
Deferred tax	(1,742.53)	8.83	(680.04)	14.92	44.05	6.09
<b>Total tax expense</b>	<b>(1,742.53)</b>	<b>8.83</b>	<b>(680.04)</b>	<b>14.92</b>	<b>44.05</b>	<b>6.09</b>
<b>Loss for the year, as restated</b>	<b>(88,634.91)</b>	<b>449.27</b>	<b>(27,528.83)</b>	<b>604.11</b>	<b>(4,459.65)</b>	<b>616.90</b>
<b>Other comprehensive income</b>						
Gain /(loss) on remeasurement of the defined benefit plans	(360.46)	1.83	(56.52)	(1.24)	(264.75)	(36.62)
Income tax (expenses) /income on remeasurement of the defined benefit plans	93.72	0.48	14.69	0.32	68.84	9.52
<b>Total other comprehensive income (net of tax)</b>	<b>(266.74)</b>	<b>1.35</b>	<b>(41.82)</b>	<b>0.92</b>	<b>(195.92)</b>	<b>27.10</b>
<b>Total comprehensive income for the year</b>	<b>(88,901.65)</b>	<b>450.62</b>	<b>(27,570.65)</b>	<b>605.03</b>	<b>(4,655.57)</b>	<b>644</b>

### **Fiscal 2022 compared to Fiscal 2021**

#### ***Total Income***

Our total income increased by 332.94% to ₹19,728.81 thousand in Fiscal 2022 from ₹4,556.90 thousand in Fiscal 2021. Such increase in our total revenue for the Fiscal 2022 was primarily driven by the increased number of tax filings through our online platform and increase in income from other sources.

#### ***Revenue from operations:***

Our revenue from operations increased by 331.88% to ₹19,659.03 thousand in Fiscal 2022 from ₹4,551.95 thousand in Fiscal 2021, primarily as a result of rise in Subscribers on our portal. It is to be noted that during FY 2021, total number of Subscribers on TaxBuddy were 5,700, which rose to 19,202 during FY 2022 while our average revenue per subscriber has grown from ₹828 to ₹999 in Fiscal 2022. Out of total subscriber's revenue, ₹876.58 thousand has been accounted as deferred revenue.

#### ***Other Income***

Our other income increased by 1,309.83% to ₹69.77 thousand in Fiscal 2022 from ₹4.95 thousand in Fiscal 2021, due to gains on sale of mutual funds to the extent of ₹65.79 thousand and interest on fixed deposits which is ₹3.98 thousand.

## **Expenses**

Our total expenses includes operating expenses, depreciation, finance costs, marketing and advertisement expenses, legal and professional fees, telephone expenses, business promotion, travelling and other miscellaneous expenses increased by 239.50% to ₹1,06,621.18 thousand for Fiscal 2022 from ₹31,405.69 thousand for Fiscal 2021.

### *Operating expenses*

Our operating expenses decreased by 9.23% to ₹3,508.15 thousand in Fiscal 2022 from ₹3,864.81 thousand in Fiscal 2021 due to efficient use of resources at operating level and enhanced scale of operations which resulted in savings in operating costs. Our operating expenses mainly consists of technical experts and software related expenses which accounted for 17.84% of revenue from operation for Fiscal 2022.

### *Employee benefits expense*

Our employee benefit expense increased by 211.55% to ₹34,281.56 thousand in Fiscal 2022 from ₹11,003.64 thousand in Fiscal 2021, primarily as a result increase in number of employees from 55 during Fiscal 2021 to 168 during Fiscal 2022 and salary appreciation during the Financial year 2022.

### *Finance costs*

Our finance costs increased by 48.63% to ₹41.37 thousand in Fiscal 2022 from ₹27.83 thousand in Fiscal 2021, primarily as a result inclusion of interest on lease liabilities.

### *Depreciation and amortization expenses*

Our depreciation and amortization expenses increased by 103.81% to ₹4,648.57 thousand in Fiscal 2022 from ₹2,280.80 thousand in Fiscal 2021, primarily as a result of amortization of intangible assets.

### *Other expenses*

Our other expenses increased by 350.79% to ₹64,141.55 thousand in Fiscal 2022 from ₹14,228.61 thousand in Fiscal 2021, primarily as a result of increase in expenses on advertising of ₹46,796.14 thousand and business promotion of ₹976.96 thousand.

### **Loss before tax:**

As a result of the factors outlined above, our loss increased by 223.64% to ₹(86,892.38) thousand in Fiscal 2022 from ₹(26,848.79) thousand in Fiscal 2021, primarily as a result of increase in total expense to ₹1,06,621.18 thousand in Fiscal 2022 from ₹31,405.69 thousand in Fiscal 2021.

### **Tax expense**

*Deferred tax:* Our deferred tax debit was ₹(1,742.53) thousand in Fiscal 2022 as compared to a deferred tax debit of ₹(680.04) thousand in Fiscal 2021 primarily as a result of increase in timing difference of defined benefit plan, lease liability and deferred revenue income.

### **Other comprehensive income**

Our other comprehensive income decreased to ₹(266.74) thousand in Fiscal 2022 from ₹(41.82) thousand in Fiscal 2021, due to increase in defined benefit plan which is due to increase in salary and number of employees.

### **Total comprehensive income for the year:**

Our total comprehensive income for the year decreased by 537.80% to ₹(88,901.65) thousand in Fiscal 2022 from ₹(27,570.65) thousand in Fiscal 2021 due to increase in tax expenses.

## **Fiscal 2021 compared to Fiscal 2020**



### **Total Income**

Our total income increased by 530.35% to ₹4,556.90 thousand in Fiscal 2021 from ₹722.92 thousand in Fiscal 2020. Such increase in our total income for Fiscal 2021 was primarily driven by the increased number of tax filings through our online platform and increase in income from other sources.

#### *Revenue from operations:*

Our revenue from operations increased by 540.63% to ₹4,551.95 thousand in Fiscal 2021 from ₹709.43 thousand in Fiscal 2020, primarily as a result of rise in Subscribers on our portal. It is to be noted that during FY 2020, total number of Subscribers on TaxBuddy were 1,360, which rose to 5,700 during FY 2021 while our average revenue per subscriber has grown from ₹547 to ₹828 in Fiscal 2021. Out of total subscriber's revenue, 203.50 thousand has been accounted as deferred revenue.

#### *Other Income*

Our other income decreased by 63.29% to ₹4.95 thousand in Fiscal 2021 from ₹13.48 thousand in Fiscal 2020, due to decrease in other Income comprising of Interest Income and discount.

### **Expenses**

Our total expenses includes operating expenses, depreciation, finance costs, marketing and advertisement expenses, legal and professional fees, telephone expenses, business promotion, travelling and other miscellaneous expenses increased by 500.88% to ₹31,405.69 thousand for Fiscal 2021 from ₹5,226.62 thousand for Fiscal 2020.

#### *Operating expenses*

Our operating expenses was ₹3,864.81 thousand in Fiscal 2021 primarily due to capitalisation of expenses to intangible assets was reduced during this period. Our operating expenses mainly consists of technical experts and software related expenses which accounted for 84.90% of revenue from operation for Fiscal 2021.

#### *Employee benefits expense*

Our employee benefit expense increased by 2,415.24% to ₹11,003.64 thousand in Fiscal 2021 from ₹437.48 thousand in Fiscal 2020, primarily as a result of increase in number of employees from 34 during Fiscal 2020 to 55 during Fiscal 2021 and salary appreciation during the Financial year 2021.

#### *Finance costs*

Our finance cost was ₹27.83 thousand in Fiscal 2021, primarily as a result of inclusion of interest on lease liabilities.

#### *Depreciation and amortization expenses*

Our depreciation and amortization expenses increased by 9,284.06% to ₹2,280.80 thousand in Fiscal 2021 from ₹24.31 thousand in Fiscal 2020, primarily as a result of amortization of intangible assets.

#### *Other expenses*

Our other expenses increased by 198.62% to ₹14,228.61 thousand in Fiscal 2021 from ₹4,764.84 thousand in Fiscal 2020, primarily as a result of increase in expenses on advertising of ₹8,886.41 thousand and business promotion of ₹302.32 thousand.

### **Loss before tax:**

As a result of the factors outlined above, our Loss before tax increased by 496.15% to ₹(26,848.79) thousand in Fiscal 2021 from ₹(4,503.71) thousand in Fiscal 2020, primarily as a result of increase in total expenses to ₹31,405.69 thousand in Fiscal 2021 from ₹5,226.62 thousand in Fiscal 2020.

#### *Tax expense*

*Deferred tax:* Our deferred tax debit was ₹(680.04) thousand in Fiscal 2021 as compared to a deferred tax credit of ₹44.05 thousand in Fiscal 2020, primarily as a result of defined benefit plan, deferred revenue income, preliminary expenses and depreciation on property, plant and equipment.

### **Other comprehensive income**

Our other comprehensive income increased to ₹(41.82) thousand in Fiscal 2021 from ₹(195.92) thousand in Fiscal 2020. Decrease in other comprehensive income is due to increase in deferred tax asset on defined benefit plans and lease liability.

### **Total comprehensive income for the year:**

Our total comprehensive income for the year decreased by (78.65)% to ₹(27,570.65) thousand in Fiscal 2021 from ₹(4,655.57) thousand in Fiscal 2020. Decrease in total comprehensive income is due to decrease in tax expense on other comprehensive income to ₹14.69.00 thousand from ₹68.84 thousand.

### **Liquidity and Capital Resources**

Historically, we have been able to finance our capital requirements and the expansion of our business and operations through a combination of funds generated from our operations, equity infusions from shareholders and debt financing, and we expect to continue to do so. Our primary capital requirements are working capital for our operations and capital expenditures.

We believe that after taking into account the expected cash to be generated from our business and operations, the Net Proceeds from the Fresh Issue will have sufficient capital to meet our anticipated capital requirements for our working capital and for the objects as stated in chapter “*Objects of the Offer*”.

For the Fiscals 2022, 2021 and 2020, we had cash and cash equivalents (comprising of cash on hand and balances with banks) of ₹ 922.21 thousand, ₹15,489.37 thousand and ₹1,261.42 thousand, respectively as per our Restated Financial Statements.

### **Cash Flows Based on Our Restated Financial Statements**

The table below summarizes the statement of cash flows, as per our restated cash flow statements, for the periods indicated:

	(₹ in thousand)		
	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>	<b>Fiscal 2020</b>
Net cash (used in) / generated from operating activities	(87,835.62)	(24,340.22)	(4,092.41)
Net cash (used in) / generated from investing activities	(11,767.82)	(18,011.51)	(33,112.22)
Net cash generated from financing activities	85,036.26	56,579.68	37,690.00
<b>Cash and cash equivalents at the end of the year/period</b>	<b>922.20</b>	<b>15,489.38</b>	<b>1,261.42</b>

### **Net cash (used in)/ generated from operating activities**

Our net cash used in operating activities was ₹(87,835.62) thousand for Fiscal 2022. While our loss was ₹(88,901.65) thousand, our operating cash flows before working capital changes stood at ₹(81,459.85) thousand. This was primarily because of advertisement expenses of ₹46,796.14 thousand and legal and professional fees of ₹13,453.94 thousand, telephone expenses of ₹1,013.59 thousand. The increase in our working capital of ₹6,375.77 thousand was primarily due to increase in trade receivable to ₹1,165.73 thousand, increase in other current assets to ₹9,638.68 thousand and lease liability to ₹187.45 thousand. This has been partially set off by increase in trade payable by ₹257.15 thousand and increase in current liabilities to ₹4,358.94 thousand.

Our net cash used in operating activities was ₹(24,340.22) thousand for Fiscal 2021. While our loss was ₹(27,570.65) thousand, our operating cash flows before working capital changes stood at ₹(24,047.65) thousand. This was primarily because of advertisement expenses of ₹8,886.41 thousand and legal and professional fees of ₹2,261.94 thousand, telephone expenses of ₹101.11 thousand. The increase in our working capital of ₹(292.56) thousand was primarily due to increase in trade receivable to ₹562.67 thousand, increase in other current assets of ₹330.98 thousand. There is also first time creation of lease liability of ₹544.16 thousand. This has been partially set off by decrease in trade payable to ₹23.33 thousand, decrease in current liabilities to ₹33.60 thousand.

Our net cash used in operating activities was ₹(4,092.41) thousand for Fiscal 2020. While our loss was ₹(4,655.57) thousand, our operating cash flows before working capital changes stood at ₹(4,356.91) thousand. This was

primarily because of advertisement expenses of ₹2634.08 thousand and legal fees of ₹328.93 thousand, rent expense of ₹1,318.49 thousand. The increase in our working capital to ₹264.55 thousand was primarily due to decrease in trade receivable of ₹45.76 thousand, increase in trade payable of ₹803.62 thousand, increase in current liabilities to ₹1,949.00 thousand and increase in other current assets to ₹2,533.84 thousand.

#### **Net cash (used in)/ generated from investing activities**

Our net cash used in investing activities was ₹(11,767.82) thousand for Fiscal 2022. This is primarily on account of sale of mutual fund of ₹5,001.00 thousand. This is partially set off by increase in capitalisation of intangible assets amounting ₹16,645.60 thousand and also due to purchase of property, plant and equipment amounting ₹123.23 thousand.

Our net cash used in investing activities was ₹(18,011.51) thousand for Fiscal 2021. This is primarily on account of purchase of investment mutual fund of ₹5,001.00 thousand, increase in capitalisation of intangible assets amounting ₹13,046.36 thousand in Fiscal 2021 and also due to net payment for property, plant and equipment of ₹35.85 thousand.

Our net cash used in investing activities was ₹ (33,112.22) thousand for Fiscal 2020, on account of sale of mutual fund, by increase in capitalisation of intangible assets by ₹33,112.22 thousand.

#### **Net cash generated from financing activities**

Our net cash generated from financing activities was ₹85,036.26 thousand for Fiscal 2022. This is primarily due to inflow from financing activities which consisted of availment of short term borrowing of ₹9,914.70 thousand and proceeds from rights issue of ₹75,466.56 thousand to existing and identified investors.

Our net cash generated from financing activities was ₹56,579.68 thousand for Fiscal 2021. This is primarily due to inflow from financing activities which consists of proceeds from non-current borrowing of ₹225.00 thousand, short term borrowing of ₹11,080.00 thousand and proceeds from rights issue and preferential issue to the tune of ₹44,774.68 thousand.

Our net cash generated from financing activities was ₹37,690.00 thousand for Fiscal 2020. This is primarily due to inflow from financing activities which consists of proceeds from non-current borrowing of ₹65.00 thousand and proceeds from issuance of share capital amounting to ₹37,625.00 thousand.

#### **Indebtedness**

As of June, 30, 2022, we had no outstanding fund-based borrowings.

#### **Related Party Transactions**

We enter into various transactions with related parties. See “*Financial Statements– Related Party Transactions Note 37*” on page 252.

#### **Contingent Liabilities**

There are no contingent liabilities as of March 31, 2022.

<i>(₹ in thousand)</i>	
<b>Particulars</b>	<b>For year ended March 31, 2022</b>
Contingent Liabilities*	Not quantifiable
Commitments	

*\*Our Company has made various corporate filings with the MCA since incorporation which had typographical errors and subsequently, our Company has intimated such corrections by filing requisite form with the MCA. As of now, our Company has not received any kind of communication or notice from the MCA regarding these typographical errors. However, we cannot assure that the MCA may initiate appropriate action against our Company and may levy penalty against our Company in future. Hence, as of the date of the financial statement, we are unable to quantify the penalty.*

Our future contingent liabilities may become actual liabilities, In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details, see “*Risk Factors*” and “*Outstanding Litigation and Material Developments*” beginning on pages 31 and 289.

## **Off balance sheet items**

We do not have any off balance sheet items.

## **Quantitative and Qualitative Analysis of Market Risks**

We are exposed to various types of market risks during the course of our business. Market risk is the risk of loss arising out of adverse changes in market prices, including interest rate risk, commodity risk, credit risk and inflation risk. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt. We are exposed to various types of market risks, in the normal course of business.

### ***Credit Risk***

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. If our customers do not pay us promptly, or at all, it may affect our working capital cycle and/or we may have to make provision for or write-off on such amounts. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The credit risk has always been managed by the Company through establishing credit limits and continuously monitoring the credit worthiness of the customers to whom the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored.

### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

## **Seasonality of business**

Seasonal variations may adversely affect our businesses. For example, Our Income tax return filing business vertical is impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a financial year. Typically, we see an increase in our sales in this business vertical during the quarters in which yearly filings are due under the relevant income tax act. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful or may not be indicative of our annual financial results in any future quarters or periods. For further details see "*Risk Factors –The seasonality of our business affects our quarterly results and places an increased strain on our operations.*" on page 34.

## **Reservations, qualifications and adverse remarks**

There are no reservations, qualifications, matters of emphasis and adverse remarks by our Statutory Auditors for the Fiscal 2022, 2021 and 2020.

## **Unusual or infrequent events or transactions**

Except as disclosed in this Draft Red Herring Prospectus, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

## **Significant economic changes that materially affected or are likely to affect income from continuing operations**

Except as described in this Draft Red Herring Prospectus, there have been no significant economic changes that have taken place in the last three fiscal years that have materially affected or are likely to affect our income from continuing operations.

## **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Factors affecting*

*our results of operations*” and the uncertainties described in the section titled “*Risk Factors*” on pages 263 and 31, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on revenue or income from continuing operations.

#### **Future changes in relationships between Costs and Revenues**

Other than as described in “*Risk Factors*” beginning on page 31 and this section, we believe there are no known factors that might affect the future changes in relationship between cost and revenue.

#### **Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. For details, see the discussions of our competition in “*Our Business Competition*” beginning on page 170.

#### **New products or business segments**

Other than as described in “*Our Business*” beginning on page 150, there are no new products or business segments introduced by us.

#### **Significant developments that may affect our future results of operations**

Except as disclosed below, there is no subsequent development after the date of our last financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months:

- a. Our Company had divested our investment in our Subsidiary, SSBA Insurance Broker Private Limited on May 11, 2022 which was approved by our Board in its meeting dated May 11, 2022;
- b. Our Board has approved an allotment of rights issue *vide* meeting dated April 30, 2022 and May 23, 2022. Our Company has issued Equity Shares on rights basis aggregating to 5,65,711 Equity Shares at an offer price of ₹292 each;
- c. The commercial launch of our platform, Finbingo in May 2022; and
- d. Our Company has granted ESOPs to various employees aggregating 1,15,411 options which was approved by our Board in its meeting dated May 23, 2022.

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	Financial Year ended March 31, 2022	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020
Basic earnings per share (in ₹)	(10.73)	(3.97)	(1.14)
Diluted earnings per share (in ₹)	(10.73)	(3.97)	(1.14)
Return on net worth (%)	(149.30)	(37.81)	(8.02)
Net asset value per share (in ₹)	7.19	10.50	14.15
EBITDA (in ₹ thousand)	<b>(82,202.44)</b>	<b>(24,540.16)</b>	<b>(4,479.40)</b>

Notes:

The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on Net Worth (%) = Profit for the year as divided by Net Worth as at the end of the year. Net Worth = Equity share capital + Instruments in the nature of equity + Other Equity (including Securities Premium and Surplus/ (Deficit)).*
3. *Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares outstanding at the end of the year (adjusted for split and bonus issue).*
4. *EBITDA represents Restated profit before tax, share of profit from joint venture and associate, adjusted to exclude (i) Other income; (ii) depreciation and amortisation expenses; and (iii) finance costs.*

In accordance with the SEBI ICDR Regulations, the audited standalone financial information of our Company, for Financial Years 2022, 2021 and 2020 and the reports thereon dated June 27, 2022, September 02, 2021 and September 01, 2020, respectively (“**Audited Financial Statements**”) are available on our website at <https://www.ssbainnovations.com/investor-fin.html>. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the BRLM or any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2022, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Statements" and "Risk Factors" beginning on pages 261, 202 and 31, respectively.

(₹ in thousand)

Particulars	Pre-Offer as at March 31, 2022	As adjusted for the Offer <sup>#</sup>
<b>Total Borrowings</b>		
Current borrowings	20,994.70	[●]
Non-current borrowings	-	[●]
<b>Total Borrowings<sup>@</sup> (A)</b>	20,994.70	[●]
<b>Shareholders' fund</b>	-	
Equity share capital <sup>*</sup>	94,285.17	[●]
Other Equity	(34,919.73)	[●]
<b>Total Equity (B)</b>	59,365.44	[●]
<b>Ratio: Non-Current Borrowings/Total Equity (A)/(B)</b>	-	[●]
<b>Ratio: Total Borrowings/ Total Equity</b>	35.36%	[●]

<sup>\*</sup> The Company has allotted right shares in the Board Meeting held on May 23, 2022 to the shareholders whose name are appearing on the record date. Post this the Equity Share Capital stands at ₹99,942.28 thousand.

<sup>#</sup> The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

<sup>@</sup>Total borrowing excludes interest accrued and due on borrowings.

### Notes:

- The above has been computed on the basis of the Restated Consolidated Summary Statements of Assets and Liabilities of our Company as on March 31, 2022.
- Current borrowing is considered as borrowing due within 12 months from the balance sheet date.
- Non-current borrowing is considered as borrowing other than short term borrowing, as defined above.

## **FINANCIAL INDEBTEDNESS**

As on June 30, 2022, our Company does not have any outstanding financial indebtedness as certified by the Statutory Auditor of our Company, V. A. Parikh and Associates LLP, *vide* certificate dated July 27, 2022.

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## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors and Promoters; (ii) actions by statutory or regulatory authorities involving our Company, Directors, Promoters or Subsidiaries; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes involving our Company, Directors or Promoters; and (v) litigations or arbitration proceedings involving our Company, Directors, or Promoters (other than proceedings covered under (i) to (iv) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).

For the purpose of (v) above, our Board in its meeting held on June 27, 2022 adopted a policy on identification of material litigation involving our Company, its Promoters and its Directors (“**Materiality Policy**”).

In accordance with the Materiality Policy, other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Company, its Promoters and its Directors shall be considered “material” for the purpose of disclosure in the Offer Documents if –

- i) The aggregate monetary claim made by or against the Company, Subsidiaries, Promoters and Directors (individually or in aggregate), in any such pending litigation, is equal to or in excess of 2% of the consolidated revenue from operations of the Company, for the last completed financial year as per the Restated Consolidated Financial Statements; or
- ii) the outcome of a litigation, irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable, could have a material adverse effect on the financial position, business, operations, performance, prospects or reputation of the Company.

As per the Materiality Policy, the threshold for our Company is ₹393.18 thousand (i.e. 2% of the consolidated revenue from operations of the Company, for the last fiscal year as per the Restated Consolidated Financial Statements of our Company for the Fiscal 2022.

Further, the pre-litigation notices received by Company, its Promoters, its Directors and our Group Company, from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be evaluated for materiality until such time that any of the Company, its Promoters, its Directors and/or its Group Company are impleaded as defendants in litigation proceedings before any judicial forum.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other governmental authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

Except as stated in this section, there are no outstanding dues to creditors of our Company. For this purpose, our Board in its meeting held on June 27, 2022, has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this Materiality Policy, outstanding dues to any creditor in excess of 10% of the consolidated trade payables of the Company as at the end of the latest fiscal year in the Restated Consolidated Financial Statements are to be considered as material outstanding dues. Accordingly, the threshold for material dues would be 10% of consolidated trade payable as per the Restated Financial Statements for the period ended March 31, 2022 i.e. 10% of ₹2,076.73 thousand which is ₹207.67 thousand. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure is based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by our Statutory Auditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

#### I. LITIGATION INVOLVING OUR COMPANY

##### (a) Outstanding litigation proceedings against our Company

(i) *Criminal Proceedings*

Nil

(ii) *Actions by statutory or regulatory authorities*

Nil

(iii) *Claims related to direct and indirect taxes*

Nil

(iv) *Other material litigations against our Company*

Nil

**(b) *Outstanding litigation proceedings by our Company***

(i) *Criminal Proceedings*

Nil

(ii) *Other material litigations by our Company*

Nil

**II. LITIGATION INVOLVING OUR DIRECTORS**

**(a) *Outstanding litigation proceedings against our Directors***

(i) *Criminal Proceedings*

Nil

(ii) *Actions by statutory or regulatory authorities*

Nil

(iii) *Claims related to direct and indirect taxes*

<b>Sr. No.</b>	<b>Type of Tax</b>	<b>Number of cases</b>	<b>Approximate amount in dispute/demanded (₹ in thousand)*</b>
1.	Direct Tax	6	12,200.07
2.	Indirect Tax	-	-
<b>Total</b>		<b>6</b>	<b>12,200.07</b>

*\*to the extent quantifiable*

(iv) *Other material litigations against our Directors*

Nil

**(b) *Outstanding litigation proceedings by our Directors***

(i) *Criminal Proceedings*

Nil

(ii) *Other material litigations by our Directors*

Nil

### III. LITIGATION INVOLVING OUR PROMOTERS

#### (a) Outstanding litigation proceedings against our Promoters

(i) Criminal Proceedings

Nil

(ii) Actions by statutory or regulatory authorities

Nil

(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years including outstanding action

Nil

(iv) Claims related to direct and indirect taxes

Sr. No.	Type of Tax	Number of cases	Approximate amount in dispute/demanded (₹ in thousand)*
1.	Direct Tax	3	12,200.07
2.	Indirect Tax	-	-
<b>Total</b>		<b>3</b>	<b>12,200.07</b>

\*to the extent quantifiable

(v) Other material litigations against our Promoters

Nil

#### (b) Outstanding litigation proceedings by our Promoters

(i) Criminal Proceedings

Nil

(ii) Other material litigations by our Promoters

Nil

### IV. OUTSTANDING DUES TO CREDITORS

As of March 31, 2022, our Company had 17 creditors on a consolidated basis and the aggregate amount due by our Company to these creditors was ₹2,076.73 thousand, on a consolidated basis, as detailed below:

Types of Creditors	Number of Creditors	Amount involved (₹ in thousand)
Micro, Small and Medium Enterprises	0	Nil
Other creditors	17	2,076.73
<b>Total</b>	<b>17</b>	<b>2,076.73</b>

Our Board, in its meeting held on June 27, 2022 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors (“**Materiality Policy**”). In accordance with the Materiality Policy, creditors of our Company to whom an amount exceeding 10% of our consolidated trade payables was outstanding as per the latest Restated Financial Statements included in this Draft Red Herring Prospectus, were considered as ‘material’ creditors. As per the Restated Financial Statements, our trade payables for the year ended March 31, 2022, was ₹2,076.73 thousand and accordingly, creditors to whom outstanding dues exceed ₹207.67 thousand have been considered as material creditors and are set out below:

Particulars	Number of Creditors	Amount involved (₹ in thousand)
Material Creditors	3	1,224.26

The details pertaining to amounts due towards the material creditors are available on the website of our Company at <https://www.ssbainnovations.com/investor-ipo.html>.

It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, [www.ssbainnovations.com](http://www.ssbainnovations.com) would be doing so at their own risk.

## V. MATERIAL DEVELOPMENTS

Other than as stated in “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 261, to our knowledge, no circumstances have arisen, since the date of the latest financial information disclosed in this Draft Red Herring Prospectus (i.e. March 31, 2022), which materially and adversely affect or are likely to affect our operations, our trading or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals from relevant governmental, statutory and regulatory authorities in India, which are necessary for undertaking our current business activities and operations and except as disclosed, no further material approvals are required for carrying on the present business operations of our Company. We have set out below a list of material approvals, consents, licenses and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking their business activities and operations. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus.*

*For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 171.*

*For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 295 and for incorporation details of our Company, see “History and Certain Corporate Matters” on page 176.*

The material approvals in relation to our Company are as follows:

### **I. Approvals relating to the Offer**

For the approvals and authorisations obtained by our Company in relation to the Offer, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 295.

### **II. Incorporation details**

- (a) Certificate of incorporation bearing registration number 298565 dated August 14, 2017 issued by the RoC to our Company under the Companies Act for the name “SSBA Innovations Private Limited”.
- (b) Fresh certificate of incorporation bearing registration number 298565 dated May 23, 2022 issued by the RoC to our Company consequent to conversion of our Company from private to public.

### **III. Material approvals in relation to the business and operations of our Company**

Our Company has various business related registrations in place, such as the legal entity identifier registration issued by RBI, registration of points of presence under the National Pension Scheme and registration as an investment advisor issued by SEBI. Except for registration of investment advisor, which is valid for five years, these registrations are one-time registrations and are valid until cancelled or suspended.

Our Company has also obtained access to the e-filing portal of the Income Tax department by obtaining the Type 2 ERI registration and has obtained API endpoints provided by the Income Tax department.

### **IV. Employment and labour related licenses of our Company**

Our Company has various labour registrations in place, such as shops and establishment license, employee provident fund and employee state insurance. These registrations are one-time registrations and are valid until cancelled or suspended.

### **V. Tax related approvals of our Company**

Our Company has various tax registrations such as goods and service tax, professional tax, PAN and TAN allotment numbers. These registrations are one-time registrations and are valid until cancelled or suspended.

### **VI. Quality approvals of our Company**

We also have an ISO 9001:2015 certificate for quality management system for providing AI based automated platform for service for filing of tax returns and wealth management by two module as taxbuddy.com and finbingo.com.

### **VII. Material approvals of our Company applied for but not received**



- a. Our Company has applied for registration of trademark bearing application number 5529313 for registering the logo  of our Company; and
- b. Our Company has applied for registration of trademark bearing application number 5543490 for registering the new logo of our platform, TaxBuddy,  of our Company.

**VIII. Material approvals of our Company applicable but not applied for**

Nil

**IX. Intellectual Property of our Company**

*Trademark registrations obtained by our Company*

Sr. No.	Issuing Authority	Application Number	Class	Logo	Status
1.	Trade Marks Registry, Mumbai	3673455	36		Valid up to November 09, 2027
2.	Trade Marks Registry, Mumbai	3812072	45		Valid up to April 20, 2028

**X. Registered domain names of our Company**

Sr. No.	Domain Name	Valid up to
1.	finbingo.com	March 07, 2023
2.	TaxBuddy.com	February 08, 2025
3.	ssbainnovations.com	September 07, 2022

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated May 23, 2022 and the shareholders resolution dated May 24, 2022.

This Draft Red Herring Prospectus has been approved by our Board and the IPO Committee pursuant to their resolution dated July 27, 2022 and July 29, 2022 respectively.

Our Company has received *in-principle* approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

### Prohibition by the SEBI, the RBI or other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group, our Directors and the person(s) in control of our Company are not prohibited from accessing or operating in the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters or Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Company and Directors associated with the Securities Market

Other than Atul Umakant Rege, who is a shareholder in Talisman Securities Private Limited, none of our Directors are associated with securities market related business, in any manner. Further, there are no outstanding action(s) initiated by SEBI against them in the last five years.

Further, except as stated below, our Company is not associated with securities related business or registered with SEBI

<b>SEBI registration number</b>	INA000012166
<b>Category of registration</b>	Investment advisor
<b>Date of expiry of registration</b>	December 11, 2023
<b>If registration has expired, details of non-renewal</b>	NA
<b>Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years</b>	NA
<b>Penalty imposed by SEBI, if any, (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/ prohibitory orders)</b>	NA
<b>Outstanding fees payable to SEBI, if any</b>	Nil

<b>SEBI registration number</b>	BASL1815
<b>Category of registration</b>	Investment advisor
<b>Date of expiry of registration</b>	NA

<b>If registration has expired, details of non-renewal</b>	NA
<b>Details of outstanding action (including enquiry or investigation) initiated by SEBI in the last five years</b>	NA
<b>Penalty imposed by SEBI, if any, (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/cancellation/ prohibitory orders)</b>	NA
<b>Outstanding fees payable to SEBI, if any</b>	Nil

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five percent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

The Offer is being undertaken under Regulation 6(2) of the SEBI ICDR Regulations. We are therefore required to allot not less than 75% of the Net Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹10,00,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- i. None of our Company, our Promoters, members of our Promoter Group, or our Directors are debarred from accessing the capital markets by SEBI.
- ii. None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- iii. None of our Company, our Promoters or Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations).
- iv. Our Company, along with the Registrar to the Offer, has entered into a tripartite agreement dated October 14, 2020 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Offer, has also entered into a tripartite agreement dated May 19, 2022 with CDSL, for dematerialization of the Equity Shares.
- v. Except for options granted under ESOP Plan as disclosed in “*Capital Structure - Employee Stock Option*



*Plan*” on page 85, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

- vi. None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- vii. The Equity Shares of our Company held by our Promoters and Promoter Group are in dematerialised form; and
- viii. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLM, SYSTEMATIX CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

#### **Disclaimer from our Company, our Directors and the BRLM**

Our Company, our Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our website, [www.ssbainnovations.com](http://www.ssbainnovations.com), or any website of any of the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, and the BRLM to the Bidders and public at large and no selective or additional information would be made available for a section of investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

The BRLM and its associates and affiliates may engage in transactions with and perform services for our

Company, the Group Company and their respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company, Group Company or their respective affiliates or associates or third parties for which they have received, and may in future receive compensation.

Bidders will be required to confirm, and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and 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 Equity Shares.

#### **Disclaimer in respect of jurisdiction**

Any dispute arising out of this Offer shall be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

#### **Eligibility and Transfer Restrictions**

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, multilateral and bilateral development financial institutions state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted non-residents including Eligible NRIs, AIFs, FPIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.**

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered in the Offer in any jurisdiction. Invitations to subscribe to or purchase the Equity Shares in the Offer shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under 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 (as defined in Regulation S under the U.S. Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S.

**Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:**

- Represent and warrant to our Company, and the BRLM and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.
- Represent and warrant to our Company and the members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.
- Represent and warrant to our Company and the members of the Syndicate that it did not purchase the Equity Shares offered in the Offer as result of any “directed selling efforts” (as defined in Regulation S).
- Represent and warrant to our Company and the members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Agree to indemnify and hold our Company and the members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.
- Represent and warrant to our Company and the members of the Syndicate that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represent and warrant to our Company and the members of the Syndicate that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- Acknowledge that our Company and the members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

#### **Disclaimer clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Disclaimer clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Listing**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. [●] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer.

If the permission to deal in the Equity Shares is not granted by either BSE or NSE, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable laws. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such

timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act includes imprisonment for a term of not 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.

### **Consents**

Consents in writing of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, domestic legal counsel to the Offer as to Indian law, special international legal counsel to the BRLM, the Bankers to our Company, the BRLM, Statutory Auditors, the Registrar to the Offer and Fitch Solutions have been obtained; and the consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Banks, Public Offer Account Bank, Refund Bank, and Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents shall not be withdrawn up to the time of filing of the Red Herring Prospectus with RoC.

### **Expert opinion**

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

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act in this Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act in respect of the: (i) Restated Financial Statements and their examination report dated July 27, 2022 on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 27, 2022, 2022 included in this Draft Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Further, our Company has received written consent dated July 20, 2022 from Fitch Solutions as required under section 2(38) and section 26(5) of the Companies Act read with SEBI ICDR Regulations, to include their name in this Draft Red Herring Prospectus, and as an “expert” to the extent and in their capacity as an industry vendor in respect of their report titled “*Industry Research Report on E-Filing of Income Tax Returns in India*” dated July 19, 2022.

Such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

### **Particulars regarding public or rights issues undertaken by our Company since incorporation**

Our Company has made not any public issues since incorporation.

Except as disclosed in “*Capital Structure – Notes to Capital Structure*” on page 75, our Company has not undertaken any rights issues since incorporation.

### **Commission or brokerage paid on previous issues of the Equity Shares since incorporation**

Since this is an initial public offering of the Equity Shares, no sum has been paid or has been payable as

commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since incorporation.

**Particulars regarding capital issues by our Company and listed Group Company, Subsidiary or Associate company in the preceding three years**

Except as disclosed in “*Capital Structure*” on page 75, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or associate companies and accordingly, there are no details of capital issuances for these companies in the last three years since the filing of this Draft Red Herring Prospectus. Further, except as mentioned below, our Group Company has not made any capital issues during the last three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the Group Company	Year of Issue	Type of Issue (public/right/composite)	Amount of Issue	Date of closure of issue	Date of allotment and date of credit of securities to demat account	Date of completion of the project, where object was financing the project	Rate of dividend paid
Empyrean Cashews Limited	2022	Public Issue listed on EMERGE Platform of National Stock Exchange of India Limited	₹194,139,000	March 23, 2022	March 29, 2022	The object of the issue were: <ol style="list-style-type: none"> <li>1. To meet the Working Capital Requirements;</li> <li>2. General Corporate Purposes;</li> <li>3. To meet the Issue Expenses.</li> </ol> <p>The object of the issue does not include financing the project.</p>	5%

**Performance vis-à-vis objects - Public/ rights issue of our Company**

Our Company has not undertaken any public issue since incorporation immediately preceding the date of this Draft Red Herring Prospectus.

Except as disclosed in “*Capital Structure – Notes to Capital Structure*” on page 75, our Company has not undertaken any rights issues since incorporation immediately preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects: Public/ rights issue of the listed subsidiaries and listed promoters**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or corporate promoter.

**Price information of past issues handled by the BRLM**

## Systematix Corporate Services Limited

Price information of past issues handled by Systematix Corporate Services Limited (during the current Fiscal and two Fiscals preceding the current Fiscal):

Sr. No.	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30 <sup>th</sup> days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90 <sup>th</sup> days from listing	+/- % change in closing price*, [+/- % change in closing benchmark] - 180 <sup>th</sup> days from listing
1.	Veranda Learning Solutions Limited <sup>(1)</sup>	2,000.00	137.00	April 11, 2022	157.00	+35.16% [-8.27%]	35.10%[-7.60%]	N.A.
2.	Empyrean Cashews Limited <sup>(2)</sup>	194.14	37.00	March 31, 2022	42.00	+177.78% [+5.57%]	548.19%[-4.20%]	N.A.

Source: www.bseindia.com and www.nseindia.com

<sup>(1)</sup> BSE as designated stock exchange

<sup>(2)</sup> Listed on SME platform of NSE i.e. NSE Emerge

### Notes:

- Issue size derived from prospectus.
- S&P BSE SENSEX or NIFTY SME EMERGE is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of issue, as applicable.
- Price on BSE or NSE Emerge is considered for all of the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of issue, as applicable.
- In case of 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price of the previous trading day has been considered.
- Since 180 calendar days, as applicable, from listing date has not elapsed for the above issues, data for same is not available.

### Summary statement of price information of past public issues handled by Systematix Corporate Services Limited:

Financial Year	Total No. of IPO's	Total Funds Raised (in ₹ million)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing <sup>#</sup>			No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing <sup>#</sup>		
			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%
2022-23*	2	2,194.14	-	-	-	1	1	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* The information is as on the date of this Draft Red Herring Prospectus.

\* The information for each of the financial years is based on issues listed during such financial year.

\* # Since 180 calendar days, as applicable, from listing date has not elapsed for the above issues, data for same is not available.

### Website track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in Circular reference bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of the BRLM as set forth in the table below:

Sr No.	Name of the BRLM	Website
1.	Systematix Corporate Services Limited	www.systematixgroup.in

### Stock market data of the Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

### Mechanism for redressal of Investor Grievances

SEBI, by way of March 2021 Circular read with June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its circular dated June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

As per the March 2021 Circular read with the June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating Bids through UPI to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by 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.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM or the Registrar to the Offer, in the manner provided below.**

All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIBs bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs applying through the UPI mechanism in which the amount equivalent to the Bid Amount is blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, under the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, investors shall be compensated by the SCSBs in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same ASBA application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications within the stipulated period. The SCSBs shall be liable to compensate investors at a rate higher of ₹100 per day or 15% per annum of the specified amount for the period of such delay. In an event there is a delay in redressal of investor grievances in relation to unblocking of amounts beyond the date of receipt of the complaint, subject to and in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the BRLM shall be liable to compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay, to the extent applicable. Further, in terms of SEBI circular 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 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.

All grievances relating to Bids submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip



received from the Designated Intermediaries in addition to the information mentioned hereinabove.

In case of any grievance/ concerns, the Syndicate Members or the investors may also reach out to the Book Running Lead Manager on their dedicated email-ids mentioned on the cover page.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Exemption from complying with any provision of securities laws granted by the SEBI**

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

#### **Disposal of investor grievances by our Company**

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular dated October 14, 2021 (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Red Herring Prospectus.

Our Company has not received any investor grievances in the last three years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be 30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Supriya Vijay Utekar as the Company Secretary and Compliance Officer, and she may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information*" on page 66.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, see "*Our Management*" on page 180.

#### **Disposal of investor grievances by listed Group Companies and Subsidiary**

As on the date of this Draft Red Herring Prospectus, our Company does not have a subsidiary. Further, our Group Company is listed on EMERGE Platform of National Stock Exchange of India Limited and the number of pending investor complaints against our Group Company, as on the date of this Draft Red Herring Prospectus, is Nil.

#### **Other confirmations**

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION VII – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting approval for the Offer.

#### The Offer

The Offer is through a Fresh Issue of Equity Shares by our Company.

#### Ranking of the Equity Shares

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company in accordance with the applicable law, after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 335.

#### Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to shareholders of our Company as per the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. For further details in relation to dividend, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” on pages 201 and 335, respectively.

#### Face Value, Offer Price and Price Band

The face value of each Equity Shares is ₹10 and the Offer Price at Floor Price is ₹[●] per Equity Share and at Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. At any given point of time, there will be only one denomination of equity shares.

The Price Band, and , the minimum Bid Lot size will be decided by our Company, in consultation with the BRLM, and shall be advertised at least two Working Days prior to the Bid /Offer Opening Date in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where the Registered Office of our Company is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

#### Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;

- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or ‘e-voting’;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right to free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, the terms of the SEBI Listing Regulations, our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see “*Description of Equity Shares and Terms of the Articles of Association*” on page 335.

#### **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only.

In this context, our Company has entered into the following agreements:

- Tripartite agreement dated October 14, 2020, amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated May 19, 2022, amongst our Company, CDSL and the Registrar to the Offer.

#### **Market Lot and Trading Lot**

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For further details, see “*Offer Procedure*” beginning on page 316.

#### **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/ authorities in Mumbai, Maharashtra, India.

#### **Period of operation of subscription list**

For details, see “*Terms of the Offer– Bid/Offer Programme*” on page 308.

#### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person

would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Equity Shares in the Offer will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are requested to inform their respective Depository Participant.

#### Bid/Offer Programme

<b>BID/ OFFER OPENS ON*</b>	[●]
<b>BID/ OFFER CLOSES ON**</b>	[●]

\* Our Company may, 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. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

\*\*Our Company may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	[●]
Credit of the Equity Shares to depository accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

**The above timetable is indicative and does not constitute any obligation or liability on our Company, the BRLM, our Promoters or the members of the Syndicate. While our Company will use best efforts to ensure that the listing and trading of the Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band, delay in receipt of final certificates from SCSBs, or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoters severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed by SEBI.**

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.**

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum, whichever is higher, for the entire duration of delay exceeding four Working Days from the Bid/Offer 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.

**Submission of Bids (Other than bids received from Anchor Investors)**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and revision in Bids	Only between 10:00 a.m. and 5:00 p.m. Indian Standard Time (“IST”)
<b>Bid/Offer Closing Date</b>	
Submission and revision in Bids	Only between 10:00 a.m. IST and 3:00 p.m. IST

Our Company in consultation with the BRLM may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

On the Bid/Offer Closing Date\*, the Bids shall be uploaded until:

- (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
- (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, if a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India which may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. 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 the SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account as the case may be, would be rejected. Bids and any revision in Bids will only be accepted on Working Days. Bidders may please note that as per letter number List/smd/sm/2006 dated July 3, 2006, and letter number NSE/IPO/25101- 6 dated July 6, 2006, issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company, in consultation with the BRLM reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations, provided that (i) the Cap price will be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be atleast 105% of the Floor Price and (iii) Floor Price will 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.

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.**

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of Bids or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

### **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 75 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. Please see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 335.

### **Withdrawal of the Offer**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Offer, for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed under applicable law, and the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with the Offer of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

## OFFER STRUCTURE

Initial Public offering of [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Shares (including a premium of ₹[●] per Equity Share) aggregating up to ₹10,50,000 thousand.

The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process in compliance with Regulation 31 of SEBI ICDR Regulations.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
<b>Number of Equity Shares available for Allotment/allocation<sup>*(2)</sup></b>	Not less than [●] Equity Shares.	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIBs and Retail Individual Bidders.	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIBs and Non - Institutional Bidders.
<b>Percentage of Offer Size available for Allotment/allocation</b>	Not less than 75% of the Offer will be allotted to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders, shall be available for allocation, subject to the following:  1. one-third of the Non-Institutional Category will be reserved for Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000; and  2. two-thirds of the Non-Institutional Category will be reserved for Bidders with an application size of more than ₹10,00,000  In case of, under-subscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not more than 10% of the Offer less allocation to QIBs and Non - Institutional Bidders.
<b>Basis of Allotment/allocation if respective category oversubscribed*</b>	Proportionate as follows (excluding the Anchor Investor Portion): Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders, shall be available for allocation, subject to the following:.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any,



Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	<p>[●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds.</p>	<p>1. one-third of the Non-Institutional Category will be reserved for Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000; and</p> <p>2. two-thirds of the Non-Institutional Category will be reserved for Bidders with an application size of more than ₹10,00,000</p> <p>In case of, under-subscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.</p>	shall be Allotted on a proportionate basis. For details, see “Offer Procedure” on page 316.
<b>Minimum Bid</b>	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares.
<b>Maximum Bid</b>	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Offer Size, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the Offer Size excluding the QIB Portion, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2,00,000.
<b>Bid Lot</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
<b>Mode of allotment</b>	Compulsory in dematerialised form		
<b>Allotment Lot</b>	Minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
<b>Trading Lot</b>	one Equity Share		
<b>Who can apply<sup>(3)(4)</sup></b>	Public institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development	Resident Indian Individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, any individuals, corporate bodies and family offices including FPIs which are recategorised	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta) applying for Equity.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2,50,000 thousand, pension fund with minimum corpus of ₹2,50,000 thousand, in accordance with applicable law and National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance fund set up and managed by the Department of Posts, India and systemically important non-banking financial companies.	as Category II FPIs and registered with SEBI.	
<b>Terms of Payment</b>	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.<sup>(5)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders, or by the Sponsor Bank through the UPI Mechanism (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form.<sup>(6)</sup></p>		
<b>Mode of Bidding</b>	Only through the ASBA process except for Anchor Investors (excluding the UPI Mechanism)	Only through the ASBA process (including the UPI Mechanism for an application size of upto ₹5,00,000).	Only through the ASBA process (including the UPI Mechanism).

\* Assuming full subscription in the Offer.

- (1) Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹1,00,000 thousand, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1,00,000 thousand but up to ₹2,50,000 thousand under the Anchor Investor Portion, subject to a minimum Allotment of ₹50,000 thousand per Anchor Investor, and (iii) in case of allocation above ₹2,50,000 thousand under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,00,000 thousand, and an additional 10 Anchor Investors for every additional ₹25,00,000 thousand or part thereof will be permitted, subject to minimum allotment of ₹50,000 thousand per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100,000 thousand. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.
- (2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under Regulation 6(2) of the SEBI ICDR Regulations.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be

*deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

- (4) With respect to restrictions on participation in the Offer, see “Offer Procedure” and “Restrictions on Foreign Ownership of Indian Securities” beginning on pages 316 and 334, respectively.*
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable on the Anchor Investor pay-in date as mentioned in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. For further information on terms of payment applicable to Anchor Investors, see “Offer Procedure” beginning on page 316.*
- (6) Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. For details of terms of payment applicable to Anchor Investors, see “Offer Procedure” beginning on page 316.*

Under-subscription, if any, in any category except the QIB Portion would be met with spill-over from other categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.**

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, Bidders may refer to the General Information Document for information in relation to (i) category of bidders eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“**CAN**”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“**UPI Phase I**”), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular number (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“**UPI Phase II**”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Bidders (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular number 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 is effective 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, as amended, are deemed to form part of this Draft Red Herring Prospectus. Subsequently, SEBI vide its circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Furthermore, SEBI vide its April 5, 2022 Circular has mandated all individual investors Bidding in the Offer up to ₹500 thousand to use the UPI Mechanism for submitting their Bids with (a) a Syndicate Member; (b) a Registered Broker at the Broker Centre; (c) a Collecting Depository Participant; and (d) the Registrar to the Offer.

Further, SEBI vide its circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four Working Days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer 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.

Further, our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. The BRLM shall be the nodal entity for any issues arising out of public issuance process.

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and book running lead managers shall continue to coordinate with intermediaries involved in the said process.*

*Our Company and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

### **Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the QIB Category shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, the allocation to each Non-Institutional Investor shall not be less than ₹2,00,000, subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis, subject to valid Bids being received at or above the Offer Price, in accordance with the SEBI ICDR Regulations. Further, (a) one third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹2,00,000 and up to ₹10,00,000; and (b) two third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹10,00,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.**

### **Phased implementation of UPI for Bids by RIBs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
- b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI *vide* its circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI *vide* its circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Circulars, 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 Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the BRLM with a copy to the Registrar, 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 in accordance with April 20, 2022 Circular.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM at the Anchor Investor Bidding Date.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

\* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLM.

**The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under 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. The Equity Shares are only being offered and sold outside the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the 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 Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Investors should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in March 2021 Circular, June 2021 Circular and April 20, 2022 Circular.

Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

### **Electronic registration of Bids**

- (a) Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Draft Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges 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.

### **Participation by the Promoter, Promoter Group, the BRLM, associates and affiliates of the BRLM and the Syndicate Member and the persons related to Promoter, Promoter Group, BRLM and the Syndicate Member**

The BRLM and the Syndicate Member shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLM and the Syndicate Member may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLM and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM, neither the BRLM nor its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

### **Bids by Anchor Investors**



In accordance with the SEBI ICDR Regulations, in addition to the details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹1,00,000 thousand. 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 ₹1,00,000 thousand.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.
- (v) Our Company in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
  - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹1,00,000 thousand;
  - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100,000 thousand but up to ₹25,00,000 thousand, subject to a minimum Allotment of ₹50,000 thousand per Anchor Investor; and
  - (c) in case of allocation above ₹25,00,000 thousand under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,00,000 thousand, and an additional 10 Anchor Investors for every additional ₹25,00,000 thousand, subject to minimum Allotment of ₹50,000 thousand per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount, being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) Neither the BRLM or any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLM) nor any “person related to the Promoters or Promoter Group” shall apply in the Offer under the Anchor Investor Portion.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see the General Information Document.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company, in consultation with BRLM reserve the right to reject

any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 334.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio bidders and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of bidders with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related bidders registered as Category I FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

For details of investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 334. Participation of FPIs in the Offer shall be subject to the FEMA Rules.

**Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The Category I AIF and Category II AIF cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. A FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident bidders should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank’s own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered

SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLM reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company, in consultation with BRLM, reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,50,000 thousand (subject to applicable laws) and pension funds with a minimum corpus of ₹2,50,000 thousand, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM may deem fit.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,50,000 thousand, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM reserve the right to reject any Bid, without assigning any reason therefor.

**The above information is given for the benefit of the Bidders. Our Company 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 the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder’s responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a

revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to the electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra), where the Registered Office of our Company is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Allotment Advertisement**

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●], English national daily newspaper with (wide circulation), [●], Hindi national daily newspaper (with wide circulation), and [●], a Marathi daily newspaper with (wide circulation, Marathi being the regional language of Maharashtra where our Registered Office is located).

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. UPI Bidder Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI

- website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
  7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
  8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Member, Registered Brokers, RTA or CDP;
  9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
  10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
  11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
  12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
  13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
  14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for bidders residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  16. Ensure that the Demographic Details are updated, true and correct in all respects;
  17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
  19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
  20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  21. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
27. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the UPI Bidders Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
28. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
29. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;
31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM; and
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;



3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3:00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
16. Do not Bid for a Bid Amount exceeding ₹2,00,000 for Bids by Retail Individual Bidders;
17. Do not submit the General Index Register (GIR) number instead of the PAN;
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Bidders can revise or withdraw their Bids until the Bid/Offer Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidders Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Bidder;
27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. Anchor Investors shall not bid through the ASBA Process;
29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and
31. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Manager pursuant to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Manager*” on page 68.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., bidders shall reach out to our Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” beginning on page 66.

#### **Grounds for Technical Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Investors through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form by the UPI Investors using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or Sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIIs with Bid Amount of a value of more than ₹200 thousand;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. 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 RIIs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed. Not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors of which one-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹10,00,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to applicants in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Escrow Account(s) for Anchor Investors**

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”, and
- (ii) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

**The above information is given for the benefit of the Bidders/applicants. Our Company and the Members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

## **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated October 14, 2022, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated May 19, 2022, amongst our Company, CDSL and Registrar to the Offer.

## **Undertakings by our Company**

Our Company undertakes the following:

- (i) our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- (ii) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (iii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iv) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
- (v) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (vi) the Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- (vii) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (viii) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (ix) that if our Company, in consultation with the BRLM withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer thereafter;
- (x) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (xi) that, no further offer of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

## **Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 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 for fraud involving an amount of at least ₹10,00,000 or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10,00,000 or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5,00,000 or with both.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (‘CBDT’) on February 13, 2020, and press release dated June 25, 2021.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 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. The responsibility of granting approval for foreign investment has been entrusted to RBI and the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. DPIIT issued the Consolidated FDI Policy which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. As per the Consolidated FDI Policy, our Company will fall under the ambit of Other Financial Services and as such up to 100% FDI is permitted under the automatic route for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the (“**Takeover Regulations**”); (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCB cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the FDI route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 322 and 322 respectively.

**The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

**SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
SSBA INNOVATIONS LIMITED  
(Incorporated under the Companies Act, 2013)**

**PRELIMINARY TABLE ‘F’ EXCLUDED**

1. (1) The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

(2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

**DEFINITIONS AND INTERPRETATION**

2. (1) In these Articles, the following words and expressions unless repugnant to the subject shall mean the following: —

“**Act**” means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

“**Applicable Laws**” means all applicable statutes, laws, ordinances, rules and regulations, judgments, notifications circulars, orders, decrees, bye-laws, guidelines, or any decision, or determination, or any interpretation, policy or administration, having the force of law, including but not limited to, any authorization by any authority, in each case as in effect from time to time.

“**Articles**” means these articles of association of the Company or as altered from time to time.

“**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.

“**Board of Directors**” or “**Board**”, means the collective body of the Directors of the Company nominated and appointed from time to time in accordance with Articles 84 to 90, herein, as may be applicable.

“**Company**” means SSBA Innovations Limited

“**Depository**” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“**Director**” shall mean any Director of the Company, including Alternate Directors, Independent Directors and Nominee Directors appointed in accordance with and the provisions of these Articles.

“**Extraordinary General Meeting**” means an extraordinary general meeting of the Company convened and held in accordance with the Act.

“**Electronic Mode**” means carrying out electronically based, whether main server is installed in India or not, including, but not limited to

- i. business to business and business to consumer transactions, data interchange and other digital supply transactions;

- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial settlements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, telemedicine, education and information research; and all related data communication services;
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail address, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the Company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting;
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio- visual mode, net conferencing and/or any other electronic communication facility.

“**General Meeting**” means any duly convened meeting of the shareholders of the Company and any adjournments thereof meeting of Members held in accordance with the provisions of Section 96 and Section 100 of the Act.

“**Key Managerial Personnel**” means such persons as defined in Section 2(51) of the Act.

“**Lien**” means any mortgage, pledge, charge, assignment, hypothecation, security interest, title retention, preferential right, option (including call commitment), trust arrangement, any voting rights, right of set-off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy.

“**Member**” or “**Shareholder**” means member in pursuance of Section 2(55) of the Act.

“**Rules**” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

“**Memorandum**” means the memorandum of association of the Company or as altered from time to time.

“**Office**” means the registered Office for the time being of the Company.

“**Officer**” includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

“**Ordinary Resolution**” and “**Special Resolution**” shall have the meanings assigned thereto by Section 2(63) and Section 114 of the Act.

“**Paid-up share capital**” or “**share capital paid-up**” means which is paid up currently.

“**Register of Members**” means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.

“**SEBI**” means Securities Exchange Board of India established under Securities Exchange Board of India Act, 1992.

“**SEBI LODR**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Securities**” means the securities as defined in clause (h) of Section 2 of Securities Contracts (Regulations) Act, 1956.

“**Sweat Equity Shares**” means such equity shares as are issued by a Company to its directors or employees at a discount or for consideration, other than Cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called.

“**Seal**” means the common seal for the time being of the Company.

“**Tribunal**” means National Company Law Tribunal or National Company Law Appellate Tribunal.

(2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.



(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

(4) The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

3. The authorized share capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of Memorandum of Association, with power to reclassify, subdivide, consolidate, increase and reduce with power from time to time, to issue any shares of the original capital or any new capital and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of the applicable law for the time being in force.
4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board 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 (subject to the compliance with the provision of section 53 of the Act) and at such time as they may from time to time think fit provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting.
5. Subject to the provisions of the Act, these Articles and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting.
6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:
  - (a) Equity Share capital:
    - (i) with voting rights; and / or
    - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
  - (b) Preference share capital
7. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares or within such other period as the conditions of issue shall provide –
  - A. one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or
  - B. several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate or such charges as may be fixed by the Board for each certificate after the first.(2) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, the delivery of one share certificate for a share to one of the several Joint Shareholders shall be sufficient.

- (3) Every share certificate shall specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.
8. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository, in which event the rights and obligations of the parties concerned, and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time, or any statutory modification thereto or re-enactment thereof. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

The Company shall also maintain a register and index of beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in dematerialized form in any medium as may be permitted by law including in any form of electronic medium.

9. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and payment of out-of-pocket expenses incurred by the Company as the Board deems adequate being given and upon such advertisement being published as the Board may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

Such sum not exceeding Rupee Fifty as the Directors may from time to time prescribe shall be paid to the Company for every share certificate issued under this clause,

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out.

10. Except as required by Applicable Laws, no person shall be recognized 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 recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by Applicable Laws) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
11. Subject to the applicable provisions of the Act and other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.
12. The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
13. (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
- (2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
- (3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
14. (1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- (2) To every such separate meeting, the provisions of these Articles relating to general meetings shall

mutatis mutandis apply.

15. 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.
16. Subject to section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
17. (1) Where at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered:
  - (a) to persons who, at the date of offer, are holders of Equity Shares of the Company, in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions:
    - (i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under Section 62 of the Companies Act, 2013 and rules made thereunder and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined  
  
unless the articles of the Company otherwise provide, the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice.
    - (ii) referred above shall contain a statement of this right; and
    - (iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company; or
  - (b) to employees under any scheme of employees' stock option, subject to a special resolution passed by the Company and subject to the conditions as specified under the Act and Rules thereunder; or
  - (c) to any persons, if it is authorized by a special resolution passed by the Company in a General Meeting, whether or not those persons include the persons referred to above, either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed in the Act and rules made thereunder.

The notice referred above shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least 3 (three) days before the opening of the issue.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a special resolution passed by the Company in general meeting.

(3) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules

18. (1) The Company shall have a first and paramount Lien –
  - A. on every share (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - B. on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

Provided further that Company's lien, if any, on such partly paid shares, shall be restricted to money called or payable at a fixed price in respect of such shares.

(2) The Company's Lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's Lien.

19. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a Lien: Provided that no sale shall be made—

(A) unless a sum in respect of which the Lien exists is presently payable; or

(B) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

20. (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(4) 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 with reference to the sale

21. (1) 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.

(2) 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.

22. The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Calls on shares**

23. (1) 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.

(2) 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.

(3) A call may be revoked or postponed at the discretion of the Board.

24. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

25. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.\

26. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

27. (1) 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28. The Board –

(a) may, if it thinks fit, subject to the provisions of the Act, 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

The Directors may at any time repay the amount so advanced.

29. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

30. All calls shall be made on an uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

31. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Transfer of shares**

32. (1) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and all provisions of section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(2) 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.

33. The Board may, subject to the right of appeal conferred by the section 58 of the Act decline to register –

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a Lien.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

34. The Board may decline to recognize any instrument of transfer unless-

- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.

The registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

35. On giving of previous notice of at least seven days in accordance with section 91 and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

36. Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.

If the Company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the Company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the Company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the Tribunal.

37. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Transmission of shares**

38. (1) 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 recognized by the Company as having any title to his interest in the shares. Title to shares on death of a member.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39. (1) 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.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

40. (1) 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. Right to election of holder of share

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

42. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

43. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

#### **Forfeiture of shares**

44. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

45. 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.

46. 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.

47. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members.  
Entry of forfeiture in register of members

48. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

49. (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

50. (1) 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, and shall 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.

- (2) 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.
51. (1) 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;
- (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment 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;
- (3) The transferee shall thereupon be registered as the holder of the share; and
- (4) 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, re-allotment or disposal of the share.
52. Upon any sale after forfeiture or for enforcing a Lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
53. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
54. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
55. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, 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.
56. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company. Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.

#### **Alteration of capital**

57. Subject to the provisions of the Act, the Company may, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

Subject to provisions of Section 61, the Company may, by ordinary resolution

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

- (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; and
- (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.



58. 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 Articles 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 these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/ "member" shall include "stock" and "stock-holder" respectively.

59. The Company may, by special resolution as prescribed by the Act, reduce in any manner and subject to any incident authorized and consent in accordance with the provisions of the Act and the Rules, —

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any securities premium account.

60. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

- (a) The Company shall be entitled to decline to register more than 4 persons as the joint holders of any share.

- (b) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.

- (c) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

- (d) Any one of two or more joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

- (e) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

- (f) (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. If more than one of the said persons remain present then the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof.

For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

(g) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

### **Capitalization of profits**

61. (1) The Company in general meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in sub-clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (3) below, either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; and

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).

(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(4) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

62. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

(a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(b) generally do all acts and things required to give effect thereto. Powers of the Board for capitalization

(2) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorize 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 or other securities 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.

(4) Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

63. Notwithstanding anything contained in these Articles but subject to all applicable provisions of section 68 to 70 of the Act or any other Applicable Laws for the time being in force, the Company may purchase its own shares or other specified securities.

### **General meetings**

64. All general meetings other than annual general meeting shall be called Extraordinary General Meeting.

65. The Board may, whenever it thinks fit, call an extraordinary general meeting in terms of Section 101 (1) of the Companies Act, 2013 by giving not less than clear Twenty one (21) days notice either in writing or through electronic mode.

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 Powers of Board to call extraordinary general meeting.

#### **Proceedings at general meetings**

66. 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.

67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

No business shall be discussed or transacted 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.

68. The quorum for a general meetings shall be as provided in section 103 the Act.

69. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

70. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –

- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.

- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. Discretion of Chairperson in relation to Minutes

- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

71. (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during business hours on all working days.

- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in sub-clause (1) above. Members may obtain copy of minutes.

#### **Adjournment of meeting**

72. (1) The Chairperson may, suo moto, adjourn the meeting from time to time and from place to places.

- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(3) 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.

(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting rights**

73. 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.
74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
75. (1) 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.
- (2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
76. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
77. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
78. 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 or in regard to which the Company has exercised any right of Lien.
79. 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.
- Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

### **Proxy**

82. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
- (2) 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, and in default the instrument of proxy shall not be treated as valid.
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105.

84. 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**

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than fifteen (fifteen).

86. The Directors shall not be required to hold any qualification shares in the Company.

87. (1) The Board of Directors shall appoint the Chairperson of the Company.

The same individual may, at the same time, be appointed as the Chairperson as well as the Managing Director and CEO of the Company.

(2) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

88. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(2) The remuneration payable to the Directors, including manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

(3) 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.

(4) Subject to the provisions of these Articles and the provisions of the Act, the Board may, decide to pay a Director out of funds of the Company by way of sitting fees, within the ceiling prescribed under the Act, a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him in addition to his traveling, boarding and lodging and other expenses incurred Sitting Fees.

### **Appointment and remuneration of directors**

89. Subject to the provisions of the Act and these Articles, the Board of Directors, may from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Director(s) of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director(s) by way of salary and commission shall be in accordance with the relevant provisions of the Act.

90. Subject to the provisions of the Act, the Board shall appoint Independent Directors, who shall have appropriate experience and qualifications to hold a position of this nature on the Board.

91. Subject to the provisions of section 196, 197 and 188 read with Schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may,

from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.

92. Subject to the provisions of these Articles, and the provisions of the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director.
93. 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.
94. (1) Subject to the provisions 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.
- (2) 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.
95. (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
- (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
96. (1) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (2) The director so appointed shall hold office only up to the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

### **Powers of Board**

97. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the Memorandum or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other Applicable Laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

### **Proceedings of the Board**

98. (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Provided, that the Board of Directors shall hold meetings at least once in every three months and at least four times every calendar year.

- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (3) The quorum for a Board meeting shall be as provided in the Act.
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.
- (5) At least 7 (seven) Days' written notice shall be given in writing to every Director by hand delivery or by speed-post or by registered post or by facsimile or by email or by any other electronic means, either (i) in writing, or (ii) by fax, e-mail or other approved electronic communication, receipt of which shall be confirmed in writing as soon as is reasonably practicable, to each Director, setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the meeting and all available data and information relating to matters to be discussed at the meeting except as otherwise agreed in writing by all the Directors.
99. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
100. 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.
101. (1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
102. (1) 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.
- (2) 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.
- (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Applicable Laws.
103. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
104. (1) A Committee may meet and adjourn as it thinks fit.
- (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
- (3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
105. 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

106. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

### **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

107.(1) Subject to the provisions of the Act, -

A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

(2) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

### **Registers**

108. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules.

The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

109.(1) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(2) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

### **Dividends and Reserve**

110. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

111. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount as appear to it to be justified by the profits of the Company.

112.(1) 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

113.(1) 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.



(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(3) 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.

114.(1) 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.

(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

115.(1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(3) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

116. 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.

117. 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.

118. No dividend shall bear interest against the Company.

119. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

#### **Unpaid or unclaimed dividend**

120.(1) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank subject to the applicable provisions of the Act and the Rules made thereunder.

(2) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.

(3) No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by Applicable Laws.

#### **Accounts**

121.(1) 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.

(2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by Applicable Laws or authorized by the Board.

### **Winding up**

122. Subject to the applicable provisions of the Act and the Rules made thereunder –

(1) 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.

(2) 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.

(3) 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 and Insurance**

123.(1) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(2) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

(3) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

### **General Power**

124. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI LODR, as amended from time to time, the provisions of SEBI LODR shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the SEBI LODR, from time to time.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and filed with the RoC. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days and will also be available online at <https://www.ssbainnovations.com/investor-ipo.htm> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material contracts for the Offer

1. Offer agreement dated July 27, 2022 entered into between our Company and the BRLM.
2. Registrar agreement dated July 27, 2022 entered into between our Company and the Registrar to the Offer.
3. Cash Escrow and sponsor bank agreement dated [●] entered into between our Company, the Registrar to the Offer, the BRLM, the Syndicate Members and the Banker(s) to the Offer.
4. Syndicate agreement dated [●] entered into between our Company, the BRLM and the Syndicate Member.
5. Monitoring agency agreement dated [●] entered into between our Company and the Monitoring Agency.
6. Underwriting agreement dated [●] entered into between our Company and the Underwriters.

#### B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time of our Company.
2. Certificate of incorporation dated August 14, 2017 issued by the RoC.
3. Fresh certificate of incorporation consequent upon conversion to public limited company dated May 23, 2022 issued by the RoC.
4. Certificate of incorporation dated June 01, 2018, issued by the RoC of our Subsidiary.
5. Resolution of the Board of Directors dated May 23, 2022 in relation to the Offer and other related matters.
6. Resolution of the Shareholders of our Company dated May 23, 2022 approving the Offer and other related matters.
7. Resolution of the Board of Directors of our Company dated July 27, 2022 approving and adopting this Draft Red Herring Prospectus for filing with SEBI and Stock Exchanges.
8. Resolution of the IPO Committee dated July 29, 2022 approving and adopting this Draft Red Herring Prospectus for filing with SEBI and Stock Exchanges.
9. Share purchase agreement dated October 07, 2020, entered into between Sujit Sudhakar Bangar, Atul Umakant Rege, Aparna Morale and associates; Zenith Multi Trading DMCC and our Company.

10. Supplementary agreement dated August 01, 2021 entered into between Sujit Sudhakar Bangar, Atul Umakant Rege, Zenith Multi Trading DMCC and our Company.
11. Tripartite Agreement dated May 19, 2022 amongst CDSL, our Company and the Registrar to the Offer.
12. Tripartite Agreement dated October 14, 2020 amongst NSDL, our Company and the Registrar to the Offer.
13. Report titled “Industry Research Report on E-Filing of Income Tax returns in India” dated July 19, 2022 issued by Fitch Solutions India Private Limited, which has been commissioned exclusively for the purposes of the Offer.
14. The examination report dated July 27, 2022 of the Statutory Auditors on the Restated Financial Statements.
15. The report on the statement of possible special tax benefits dated July 27, 2022 from the Statutory Auditor.
16. Copy of the annual report of our Company for the last three Fiscals i.e., 2021, 2020 and 2019.
17. Consent of our Directors, BRLM, Syndicate Member, the legal counsel to the Offer, special international legal counsel to the BRLM, Registrar to the Offer, Banker(s) to the Offer, Fitch Solutions, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to act, in their specific capacities.
18. Consent of Statutory Auditors, V. A. Parikh & Associates LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and, in respect of their (i) examination report on the Restated Financial Statements dated July 27, 2022, and (ii) the statement of special tax benefits dated July 27, 2022, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on date of this DRHP.
19. Due diligence certificate dated July 29, 2022 addressed to SEBI from the BRLM.
20. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
21. SEBI final observation letter bearing reference number [●] and dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Sujit Sudhakar Bangar**

*Chairman and Managing Director*

**Date:** July 29, 2022

**Place:** Mumbai

## DECLARATION

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY

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**Atul Umakant Rege**

*Whole Time Director*

**Date:** July 29, 2022

**Place:** Mumbai

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Aparna Sujit Bangar**

*Non-Executive Director*

**Date:** July 29, 2022

**Place:** Mumbai

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Pankaj Singhania**

*Independent Director*

**Date:** July 29, 2022

**Place:** Mumbai



## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Siddharth Shah**

*Independent Director*

**Date:** July 29, 2022

**Place:** Mumbai

## **DECLARATION**

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

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**Rasesh Vrajeshkumar Thakore**

*Independent Director*

**Date:** July 29, 2022

**Place:** Mumbai

## DECLARATION

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

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**Shrenik Mahendra Doshi**

*Chief Financial Officer*

**Date:** July 29, 2022

**Place:** Mumbai

## DECLARATION

I, hereby certify and declare that, all the relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the rules, regulations or guidelines issued by the SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures, confirmations, undertakings and statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY**

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**Supriya Vijay Utekar**

*Company Secretary and Compliance Officer*

**Date:** July 29, 2022

**Place:** Mumbai