



DUCON INFRA TECHNOLOGIES LIMITED

Our Company was originally incorporated in the name and style of “Dynacons Technologies Limited” as a Public Limited Company under the Companies Act, 1956 pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai on April 02, 2009. The Certificate of Commencement of Business was received on February 08, 2010. The name of our Company was changed to Ducon Infratechnologies Limited vide a fresh Certificate of Incorporation dated March 30, 2016 issued by the Registrar of Companies, Maharashtra, Mumbai. For details of changes in Name of our Company and our Registered Office, please see “General Information” on page 38 of this Draft Letter of Offer.

Registered Office: Ducon House, Plot No: A/4, Road No:1, MIDC, Wagle Industrial Estate, Thane (West), Maharashtra – 400 604

Tel: 91 22 41122114 **Fax:** 91 22 41122115

Contact Person: Mr Darshit Parikh, Company Secretary & Compliance Officer

Email: cs@duconinfra.co.in **Website:** www.duconinfra.co.in

Corporate Identity Number: L72900MH2009PLC191412

OUR PROMOTER: ARUN GOVIL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF DUCON INFRA TECHNOLOGIES LIMITED (OUR “COMPANY”) ONLY

ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1/- EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ 4900 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], 2024 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 134 OF THIS DRAFT LETTER OF OFFR.

*Assuming full subscription

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (the “SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” on page 21 of this Draft Letter of Offer.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on BSE Limited (“BSE”) and on the National Stock Exchange of India Limited (“NSE”) (collectively the “Stock Exchanges”). Our Company has received the “in-principle” approvals from BSE and from NSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letter dated [●], 2024 and their letter dated [●], 2024 respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE



Mark Corporate Advisors Private Limited
404/1, The Summit Business Bay, Sant Janabai Road (Service Lane),
Off W. E. Highway, Vile Parle (East), Mumbai-400 057. Maharashtra
Tel. No.: +91 22 2612 3207/08
E-Mail id: info@markcorporateadvisors.com
Website: www.markcorporateadvisors.com
Contact Person: Mr Manish Gaur
SEBI Reg. No.: INM000012128

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited
S6-2 6th Floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra.
Tel No: ++91 22 6263 8200 : Fax No: +91 22 6263 8299
Email: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr Suraj Gupta
SEBI Registration Number: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●], 2024	[●], 2024	[●], 2024

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renouncees on or prior to the Issue Closing Date.

**Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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Table of Contents

SECTION I – GENERAL	4
DEFINITIONS AND ABBREVIATIONS	4
NOTICE TO INVESTORS	12
PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION	14
FORWARD LOOKING STATEMENTS	16
SUMMARY OF DRAFT LETTER OF OFFER	18
SECTION II – RISK FACTORS	21
SECTION III: INTRODUCTION	37
THE ISSUE	37
GENERAL INFORMATION	38
CAPITAL STRUCTURE	43
PARTICULARS OF THE ISSUE	48
OBJECTS OF THE ISSUE	48
STATEMENT OF TAX BENEFITS	53
SECTION IV – ABOUT THE COMPANY	57
INDUSTRY OVERVIEW	57
OUR BUSINESS	64
OUR MANAGEMENT	75
SECTION V: FINANCIAL INFORMATION	79
FINANCIAL STATEMENTS	79
ACCOUNTING RATIOS AND CAPITALISATION STATEMENT	111
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	113
SECTION VI: LEGAL AND OTHER INFORMATION	123
OUTSTANDING LITIGATION AND DEFAULTS	123
MATERIAL DEVELOPMENTS	127
OTHER REGULATORY AND STATUTORY DISCLOSURES	128
SECTION VII: TERMS OF THE ISSUE	134
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	160
RESTRICTIONS ON PURCHASES AND REALES	161
SECTION VIII: OTHER INFORMATION	170
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	170
DECLARATION	172

SECTION I – GENERAL

Definitions and Abbreviations

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Terms used in “Summary of Letter of Offer”, “Financial Statements”, “Statement of Special Tax Benefits”, “Outstanding Litigations and Defaults” and “Terms of the Issue” on pages 18, 79, 53, 123 and 134, respectively of this Draft Letter of Offer, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.

General Terms

Term	Description
“Company”, “Our Company”, “the Company”, or “Ducon”	Ducon Infratechnologies Limited incorporated under the Companies Act, 1956 and having its registered office at Ducon House, Plot No: A/4, Road No:1, MIDC, Wagle Industrial Estate, Thane (West), Maharashtra – 400 604
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company as at and during the relevant Fiscal

Company Related Terms

Term	Description
“Articles of Association” or “Articles”	Articles of Association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board
Audited Financial Statements	The audited financial statements as at and for the financial year ended March 31, 2023 of our Company prepared in accordance with Ind AS and the Companies Act and which comprises the balance sheet as at March 31, 2023, and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, along with notes to the consolidated financial statements, a summary of significant accounting policies and other explanatory information
“Auditors” or “Statutory Auditors”	The statutory auditors of our Company, namely Hitesh Shah & Associates., Chartered Accountants
“Board of Directors”, or “Board” or “our Board”	The board of directors of our Company or any duly constituted committee thereof.
Chief Financial Officer	The chief financial officer of our Company, Harish Shetty
Director(s)	The director(s) on our Board, as disclosed in “Our Management” on page 75 of this Draft Letter of Offer.
Executive Director(s)	Executive Director(s) of our Company being Harish Shetty and Chandrasekhar Ganesan, both Executive Whole Time Directors
Equity Shares	Equity shares of face value of ₹1 each of our Company
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Directors	An independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see “Our Management” on page 75 of this Draft Letter of Offer.
December Financial Results	The unaudited financial results for the nine-month period ended December 31, 2023 of our Company, prepared in accordance with Ind AS 34 and Regulation 33 of the SEBI Listing Regulations and which have been subject to a limited review by our

Term	Description
	Statutory Auditors
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in “Our Management” on page 75 of this Draft Letter of Offer
Managing Director	Managing Director of our Company, being Arun Govil
Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Non-Executive Director(s)	A Director, not being an Executive Director of our Company.
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “Capital Structure” on page 43 of this Draft Letter of Offer.
Promoter	The promoter of our Company, being Arun Govil. For further details, see “Capital Structure” on page 43 of this Draft Letter of Offer.
Registered Office	Registered office of our Company situated at Ducon House, Plot No: A/4, Road No:1, MIDC, Wagle Industrial Estate, Thane (West), Maharashtra – 400 604 . For details of changes in registered office of our Company, see “General Information” on page 38 of this Draft Letter of Offer.
“Shareholders” or “Equity Shareholders”	The holders of the Equity Shares from time to time
Subsidiaries	Ducon Combustion Equipment Inc, which is also our material unlisted subsidiary

Issue Related Terms

Term	Description
“Abridged Letter of Offer” or “ALOF”	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Accounts	The accounts opened with the Banker(s) to the Issue, into which the Application Money lying credit to the escrow account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act
Allotment Account Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, IndusInd Bank
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue
Application Money	Aggregate amount payable at the time of Application, <i>i.e.</i> , ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue
“Application Supported by Blocked Amount” or “ASBA”	Application (whether physical or electronic) used by Applicant(s) to make an application authorising the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the

Term	Description
	amount mentioned in the Application Form or in the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, being [●]
Banker(s) to the Issue Agreement	Agreement dated [●], 2024 entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange in this Issue, as described in “ <i>Terms of the Issue</i> ” on page 134 of this Draft Letter of Offer.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited (“BSE”)
Eligible Equity Shareholder(s)	Existing Equity Shareholders as at the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see “ <i>Notice to Investors</i> ” on page 12 of this Draft Letter of Offer
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being [●]
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Issuer Agreement	Issuer Agreement dated May 15, 2024 between our Company and the Lead Manager, i.e Mark Corporate Advisors Private Limited
“Issue” or “Rights Issue”	This issue of up to [●] fully paid-up Equity Shares of face value of ₹1/- each of our Company for cash at a price of ₹[●] (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 4900 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date. On Application, Investors will have to pay ₹[●] per Rights Equity Share which constitutes 100% of the Issue. <i>*Assuming full subscription with respect to Rights Equity Shares</i>
Issue Closing Date	[●], 2024
Issue Materials	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●], 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Application, in accordance with the SEBI ICDR Regulations.
Issue Price	₹[●] per Equity Share On Application, investors will have to pay ₹[●] per Rights Equity Share which constitutes 100% of the Issue Price
Issue Proceeds	The gross proceeds raised through the Issue

Term	Description
Issue Size	The issue of up to [●] Rights Equity Shares aggregating to ₹ 4900 Lakhs* *Assuming full subscription with respect to Rights Equity Shares
Letter of Offer	The Letter of Offer dated [●] to be filed with the Stock Exchanges and SEBI
Listing Agreement	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please see “Objects of the Issue” on page 48 of this Draft Letter of Offer
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Payment Schedule	Payment schedule under which 100% of the Issue Price is payable on Application, i.e., ₹[●] per Rights Equity Share
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares in the Issue, being [●], 2024
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar Agreement	Agreement dated April 05, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
Rights Equity Shares	Equity Shares to be Allotted pursuant to this Issue
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being, BSE and NSE
Transfer Date	The date on which the Application Money held in the escrow account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalisation of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in

Term	Description
	respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Industry Related Terms

Term/Abbreviation	Description/ Full Form
DDGJY	Deen Dayal Gram Jyoti Yojana
EPC	Engineering Procurement and Construction
FGD	Flue-gas desulfurization
INDCs	Intended Nationally Determined Contributions
IPDS	Integrated Power Distribution Scheme
KVA	Kilo Volt Amperes
KV	Kilo Volt
MoEFCC	Ministry of Environment, Forest and Climate Change
MW	Mega Watt
NO	Nitrogen Oxide
QA	Quality Audit
QC	Quality Control
RAPDRP	Restructured Accelerated Power Development and completion of the Reforms Program
Saubhagya Scheme	The Pradhan Mantri Sahaj Bijli Har Ghar Yojana
SO ₂	Sulphur Di-Oxide
SPM	Suspended Particulate Material
TPH	Tonnes Per Hour
UNFCCC	United Nations Framework Convention on Climate Change

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AS or Accounting Standards	Accounting standards issued by the ICAI
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 I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
Central Government	Central Government of India
CGU	Cash Generating Unit
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and

Term/Abbreviation	Description/ Full Form
	modifications notified thereunder
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant Identity
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, impairment and amortisation
ECB	External Commercial Borrowings
ECB Guidelines	The FEMA, the FEMA Borrowing and Lending Regulations, the ECB Master Directions and the FEMA Reporting Master Directions, taken together
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI, as amended from time to time
EGM	Extraordinary general meeting
EPS	Earnings Per Share
EUR	Euro
FCCB Scheme	The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and the clarifications issued thereunder by the Government of India from time to time, including a notification dated November 27, 2008 issued by the Government of India
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign direct investment
FDI Circular 2020	Consolidated FDI Policy Circular of 2020
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999
FEMA Borrowing and Lending Regulations	The Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time
FEMA Reporting Master Directions	The Master Direction on Reporting under the FEMA dated January 1, 2016, as amended from time to time
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY	Period of 12 months ending March 31 of that particular year
FIR	First information report
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
Gazette	Official Gazette of India
GDP	Gross domestic product
GIR	General Index Register
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and services tax
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund

Term/Abbreviation	Description/ Full Form
IFRS	International Financial Reporting Standards
Income-tax Act	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
Ind AS 34	Indian Accounting Standard 34 “Interim Financial Reporting” prescribed under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
LOC	Letter of comfort
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
NEFT	National Electronic Fund Transfer
Net Retail NPA	Represents closing balance of the Net NPA of our Retail AUM as at the last day of the relevant year or period.
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NOF	Net owned funds
NPCI	National Payments Corporation of India
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non- Residential External
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non- Resident Ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
PSU	Public Sector Undertaking
RBI	Reserve Bank of India
RBI Stressed Asset	The Reserve Bank of India (Prudential Framework for Resolution of Stressed

Term/Abbreviation	Description/ Full Form
Resolution Circular	Assets) Directions, 2019 issued by the RBI through its circular dated June 7, 2019 which sets out a framework for early recognition, reporting, and time bound resolution of stressed assets
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Gujarat at Ahmedabad
RoCE	Return on capital employed
ROE	Return on equity
RoNW	Return on Net Worth
RoW	Rest of the World
“Rs.” “₹” or “Rupees” or “INR”	Indian Rupee
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment 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	The 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 Investors) Regulations, 2000 as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933
SRE 2410	Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by ICAI
State Government	Government of a State of India
STT	Securities Transaction Tax
TAN	Tax deduction account number
TDS	Tax deductible at source
Trademarks Act	Trade Marks Act, 1999
“US” or “U.S.” or “USA” or “United States”	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
“USD” or “U.S.\$” or “US\$” or “\$”	United States Dollar, the official currency of the United States
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WDV	Written down value method of valuation

Notice to Investors

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For details, see “*Restrictions on Purchases and Resales*” on page 161 of this Draft Letter of Offer.

The Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to us, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, and the Stock Exchanges.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials (including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form) in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders or if there are electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges and submitted to SEBI for information and dissemination. Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter and any other Issue Materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN

INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

Presentation of Financial Information and Other Information

Certain Conventions

All references to “India” contained in this Draft Letter of Offer 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.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see “*Financial Information*” on page 79 of this Draft Letter of Offer. Our Company’s financial year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Financial Statements of our Company for the Financial Years ended March 2023 and March 2022 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013. Our Company publishes its financial statements in Indian Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in “Lakh” units or in whole numbers where the numbers have been too small to represent in Lakh. One Lakh represents 1,00,000 and one million represents 10,00,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer 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, 2013 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 Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 79 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. 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 Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain 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. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units or in whole numbers. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Lakh or in whole numbers where the numbers have been too small to present in Lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Information for the year ended March 31, 2023 and March 31, 2022 and Unaudited financial information for the nine months period ended December 31, 2023.

Exchange Rates

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

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

Currency	December 29, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.11	82.21	75.81	73.50
1 Euro	92.00	89.61	84.66	86.10

(Source: www.rbi.org.in and www.fbil.org.in)

* December 30 and December 31 being Saturday and Sunday respectively and exchange rate was not available

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

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. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified 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*” on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer 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.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 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. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- adverse effect of competition on our market share and profits;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labour laws or other regulatory developments;
 - manage our operating costs;
 - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
 - keep pace with technological changes
- changes in general, political, social and economic conditions in India and elsewhere;
- change in government policies
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 21, 64 and 113 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, nor our Directors, our Promoters, or any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

Summary of Draft Letter of Offer

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the 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 Letter of Offer, including “Risk Factors”, “Objects of the Issue”, “Our Business” and “Outstanding Litigation and Defaults” on pages 21, 48 and 123 respectively of this Draft Letter of Offer.

SUMMARY OF INDUSTRY

Flue-gas desulfurization (FGD) is a set of technologies used to remove sulphur dioxide (SO₂) from exhaust flue gases of fossil-fuel power plants, and from the emissions of other sulphur oxide emitting processes. This process is carried out during combustion in fossil fuel power plants such as coal and oil red combustion units. When coal or oil is burned to produce energy, about 95 percent or more of the sulphur is generally converted to sulphur dioxide (SO₂) under standard temperature conditions. The Ministry of Environment, Forest and Climate Change (MoEFCC), has issued a notification with the objective of reducing emissions of suspended particulate matter (SPM), SO_x, NO_x and mercury at thermal power plants (TPPs). With the MoEFCC order, it has become compulsory to install Flue Gas Desulphurisation (FGD) system in the existing and upcoming thermal power plants to curb SO_x emissions.

In 2015, the Central Government launched the Integrated Power Distribution Scheme (IPDS) with the objective to provide 24/7 power for all. The new Saubhagya Scheme (Pradhan Mantri Sahaj Bijli Har Ghar Yojana) seeks to ensure universal household electrification, that is, in both rural and urban areas. Under this scheme, the identified poor households will get free electricity connections.

For further details, please refer to the chapter titled “Industry Overview” at page 57 of this Draft Letter of Offer.

PRIMARY BUSINESS OF OUR COMPANY

We are a technology Engineering Procurement and Construction (EPC) Company and provide complete solutions in various EPC segments. The strength of our Company is its core technology FGD, for which it is known and other EPC segment of Bulk Material Handling. With many successful installations in place, our company has the requisite expertise, dedicated group of talented Engineers and other professionals who drive its business and relationships with its business partners and manage its support functions.

Our Company has also diversified into rural electrification under DDGJY scheme (Deen Dayal Gram Jyoti Yojana) and Urban Electrification under IPDS scheme (Integrated Power Distribution Scheme). These projects involve construction of new 33 / 11KVA sub-stations, augmentation of 33/11KVA sub-stations, New 33 KV lines, New 11 KV lines, Metering, etc. We plan to expand the volume of this segment in future.

We are also expanding our activities in the area of providing video security surveillance solutions through Artificial Intelligence in commercial facilities, city roads and highways and industrial complexes. We are also entering the emerging markets of green hydrogen production and transportation, and Aerospace Engineering through forming strategic alliance with technology partners. These activities are still in infancy stages and increase over time in the coming years.

For further details, please refer to the chapter titled “Our Business” at page 64 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

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

Particulars	Estimated amount (up to) (₹ Lakhs)
To augment our working capital requirements	3700.00
General corporate purposes*	[●]
Total Net Proceeds**	[●]

* Subject to the finalisation of the Basis of Allotment and the Allotment, the amount utilised for general corporate purpose shall not exceed 25% of the gross Proceeds

** Assuming full subscription with respect to the Rights Equity Shares and subject to finalisation of the Basis of Allotment.

For further details, please see “Objects of the Issue” on page 48 of this Letter of Offer.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTER

Pursuant to letter dated April 23, 2024, our Promoter has confirmed that he may not fully subscribe to his entitlements arising out of the proposed Rights Issue and may renounce a part of his rights entitlement in favour of third parties who may be identified in the due course. Therefore, minimum subscription criteria (of at least 90% of the Issue) as provided in Regulation 86(1) of the SEBI ICDR Regulations is applicable. Pursuant to Regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than 4 days from the closure of the Rights Issue.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Tax Proceedings	2	386.68
Proceedings involving material violations of statutory regulations by our Company	Nil	Nil
Labour Matters	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations above the materiality threshold	2	2,141.55
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	2	118.90
Direct Tax Matters	Nil	Nil
Indirect Tax Matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	3	1704.50
Proceedings involving statutory regulations	1	82.18

**To the extent quantifiable*

Litigations involving our Promoter / Directors

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	Nil	Nil
Direct tax matters	Nil	Nil
Indirect tax matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

**To the extent quantifiable*

Litigations involving our group companies

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	Nil	Nil
Direct tax matters	Nil	Nil
Indirect tax matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

**To the extent quantifiable*

For further details, please see “*Outstanding Litigation and Defaults*” on page 123 of this Draft Letter of Offer.

RISK FACTORS

For details, please see “*Risk Factors*” on page 21 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

CONTINGENT LIABILITIES

For details regarding our contingent liabilities as per Ind AS 37 for the Fiscal 2023, please see “*Financial Statements*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingent Liabilities*” on pages 98 and 113 respectively of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2023, please see “*Financial Statements*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Related party transactions*” on pages 79 and 113 respectively of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 57,64 and 113 respectively of this Draft Letter of Offer. The industry-related information disclosed in this section has been derived 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. Neither our Company, nor any other person connected with the Issue have independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer 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, in the section titled “Forward-Looking Statements” on page 16 of this Draft Letter of Offer.

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. Unless the context requires otherwise, the financial information of our Company has been derived from the Audited Financial Information, prepared in accordance with Ind AS and the Companies Act.

Materiality:

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

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

INTERNAL RISK FACTORS

1. **We derive our revenue from EPC Contracts in Dry Bulk Material Handling Systems and in installing Air Pollution Systems through the installation of Flue Gas Desulfurization systems and our financial condition would be materially and adversely affected if we fail to obtain new contracts.**

We are significantly dependent upon the EPC Contracts for our revenue. The revenue generated from our EPC contracts with customers constitutes 100% of our total revenues for the Financial Years 2023 and 2022 and 99.58% of the total revenues for the nine-month period ended December 31, 2023. We bid for projects on an ongoing basis and EPC projects are typically awarded following a competitive bidding process and satisfaction of prescribed qualification criteria. There can be no assurance that we would be able to meet the eligibility criteria and in addition, we cannot assure you that we would bid where we have been qualified to submit a bid or that our bids, when submitted or if already submitted, would be accepted. Our business, growth prospects and financial performance largely depends on our ability to obtain new contracts, and there can be no assurance that we will be able to procure new contracts. Our future results of operations and cash flows may fluctuate from period to period depending on the timing of our contract. In the event we are unable to obtain new contracts, our business will be materially and adversely affected.

2. Our business is dependent on continuing relationships with our clients and strategic partners.

Our business is significantly dependent on EPC projects undertaken by government agencies and Public Sector undertakings, large Corporate and Government agencies. Our top ten clients vary from period to period depending on the completion schedule of projects. Our top ten clients provided 100%, 100%, and 100% of our total EPC contracts and FGD revenue in fiscals 2022 and 2023 and the nine month period ended December 31, 2023, respectively. Our business is also dependent on developing and maintaining strategic alliances with our international partners. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship or pre-qualified status with certain of our key clients and strategic partners.

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

The construction or development of FGD systems or Bulk Handling Systems involves various implementation risks including delay or disruption in supply of raw materials, delays in acquisition of land by our project clients, unanticipated cost increases, force majeure events, cost overruns, disputes with our joint venture partners, or delays in securing required licenses by our project clients, or making advance payments. We may be further subject to regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

Despite the escalation clauses in some of our contracts, our clients may interpret the applicability of the escalation clauses in their favour and we may experience difficulties in enforcing such clauses to recover the costs we incurred in relation to the work performed as per the underlying contract. We may have to bear risks associated with any increase in actual costs for construction activities exceeding the agreed work. Further, while our contracts with our clients have clauses which allow us to seek extension of time for completing our projects, we may for unforeseen reasons, not be able to obtain extensions for projects and thereby face delays or time overruns. While there have not been any instances in the past, where we were not provided extension of time for completion of projects or where penalties were levied on account of delay, however, our project clients may, as per the agreed upon contractual terms, be entitled to invoke penalty provisions and/or terminate the contract in the event of delay in completion of the work if the delay is not on account of any of force majeure clauses or any agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects. If any or all of these risks materialize, we may suffer significant cost overruns or time overruns or even losses in these projects due to unanticipated increase in costs as a result of which our business, profits and results of operations will be materially and adversely affected.

4. We propose to conduct a portion of our operations through joint ventures, over which we may have limited control.

Our Company generally seeks to enter into joint ventures and collaborations with the other leading players in the respective fields as part of our efforts to expand our business. Except as otherwise stated in the section titled "Objects of the Issue" on page 48 of this Draft Letter of Offer, there are no definite plans for further investment as of the date of this Draft Letter of Offer though our Company may be required to make additional investments in joint ventures from time to time in line with the business needs of the entities. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We cannot assure you that our relationships with our joint venture partners can at all times be amicably maintained. We also cannot control the actions of our joint venture partners. These factors could potentially harm the business and operations of a joint venture and, in turn, materially and adversely affect our business and results of operations. Operating through joint ventures in which we are a minority holder results in us having limited control over many decisions made with respect to

projects and internal controls relating to projects.

5. We operate in a competitive industry and our failure to successfully compete may adversely affect our business, financial condition and results of operations, and prospects.

Competition is the main threat to most EPC companies, considering the aggressive pricing by the new entrants, changes in technology and markets. Changes in government policy or regulations / legislation etc also brings challenges and treats to the smooth functioning of the Company. As companies recognize the critical role of technology as an enabler to their business, the number of in-house technology centres of large enterprises as well as the number of new entrants in the market increases. The competition from large international and Indian companies is increasing in the domestic market space. Actual results may differ materially from those expressed. The productive life of resources is shrinking and the regulatory requirement in the areas of Air Pollution Control is tightening, thereby increasing the level of investment needed to meet the market requirements. These, while provide huge growth opportunities to your Company, also exposes it to increased competition

As we seek to diversify our regional focus, we may face competition from existing competitors as well as new entrants, who may have better market understanding and reputation in such geographies. These competitive factors may result in reduced revenues, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

6. High Attrition rates and the inability to retain the talent pool is a major challenge to the Company and this may in turn affect the business operations and our revenue.

Since the EPC sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. In the EPC industry, the ability to execute projects, build and maintain client partnerships and to achieve forecasted operating and financial results are significantly influenced by the Company's success in hiring, training and retaining highly skilled Engineering professionals. The market continues to be highly competitive for attracting and retaining Engineering professionals & this is compounded by the ever-changing constraints around talent mobility primarily on account of regulatory requirements and also the evolving value propositions for a range of clients across geographies. We have initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, ESOP etc to maintain employee-friendly culture in the organization. Although we have had an attrition rate of 16.%, and 20.% in the fiscals 2022 and 2023, we may fail to retain the talent pool that we have built over the years and this could adversely affect our operations.

7. We have recently diversified into new areas of business in which we have limited operating history and this inexperience could have a negative impact on our operations.

We have recently ventured into the areas of rural and urban electrification, Security Systems and Artificial Intelligence and Aerospace Business. The experience of our Company and that of our promoters / Directors / Key Managerial Personnel is limited in these areas with no history of successful execution of such projects. Most of our management has little or no experience in these areas, even though they have experience in other types of EPC projects. Our ability to succeed in this new areas may be hampered by unforeseen expenses, difficulties, complications and delays frequently encountered by the commencement of operations of a new business. We cannot assure you that we can manage such projects effectively. Any failure to manage such projects effectively could delay our ability to meet our clients' requirements and delay our ability to generate revenue from such projects, which could have a material adverse impact on our business, financial condition and results of operations.

8. The expansion of our business into Aerospace Engineering is not permitted by our Object Clause of the Memorandum of Association and any corrective action taken by the authorities could have a negative impact on our operations.

We have recently expanded into Aerospace Engineering and entered into a contract with a German Client for executing the same. This is however not permitted by the Object Clause of our Memorandum of Association and we have not taken any shareholder approval for the amendment of the Object Clause either. We may be subject to certain penalties and this could have a negative on our financial condition and our operations.

9. The construction and development of our Air Pollution Systems / Dry Bulk Handling Systems require the services of third parties, including service providers, suppliers and independent contractors, which entail certain risks.

For the purposes of and development of our Air Pollution Systems through FGD or for the dry bulk handling systems, we engage third parties such as architects, engineers, contractors and suppliers of labour and materials. We do not have direct control over the day-to-day activities of such contractors and are reliant on such contractors performing these services in accordance with our expectations and the relevant construction contracts. The time of completion and quality of the projects that we develop depends, in part, on the availability and skill of these third parties, as well as other contingencies affecting them, including labour and raw material shortages and industrial action such as strikes and lockouts. Any consequent delay in project execution could materially and adversely affect our business, prospects, financial condition, and results of operations. Additionally, if a contractor or supplier becomes insolvent, it may be impossible for us to recover compensation for any defective work undertaken or materials supplied, as applicable, by such third parties and we may incur losses as a result of funding the repair of the defective work or products or paying damages to persons who have suffered a loss as a result of such defective work products. Further, customarily, we do not enter into formal long term supply contracts with such third parties. However, any unexpected issues in our relationship with any such third party may require us to source services or materials from alternate sources, which we may not be able to do in a timely manner or on commercially viable terms, if at all, which may adversely affect our business and results of operations.

10. We are required to renew, maintain or obtain statutory and regulatory permits, licenses and approvals for our operations from time to time. Any delay or inability to obtain such approvals may have an adverse impact on our business.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We have made renewal applications for certain approvals or licenses that have expired. If we fail to obtain necessary approvals we require to operate, or if there is any delay in obtaining these approvals, our business and financial condition may be adversely affected. Further, these permits, licenses and approvals are subject to several conditions, and there is no assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals. Any interruption of our operations caused by our statutory and regulatory permits, licenses and approvals could adversely affect our business, prospects, financial condition and results of operations.

11. Our business is working capital intensive involving relatively long implementation periods. We require substantial financing and bank guarantees for our business operations. Our indebtedness and the conditions and restrictions imposed on by our financing arrangements could adversely affect our ability to conduct our business.

Typically, projects in the EPC sector which we undertake are working capital intensive in nature, require bank guarantees, and involve long implementation periods. This requires us to obtain financing through banks and various other means. Our ability to secure new business is directly impacted by our ability to post bank guarantees. As on March 31, 2023, our total current borrowings stood at ₹8609.88 lakhs. We may incur additional indebtedness in the future. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price. Our inability to provide bank guarantees or adequate working capital will adversely impact our growth of business and operations.

Our working capital requirements may be affected due to factors beyond our control including force majeure conditions, delay or default of payment by our clients, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

In the last three (3) financial years our Company has been able to raise additional working capital funding from bank as and when the need has arisen and has never delayed and defaulted its financial commitments. However, any failure to service our indebtedness, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities and cross-defaults under certain of our other financing agreements, any of which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

12. We have entered into, and will continue to enter into, related party transactions.

We have in the course of our business entered into transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have adversely affect our business, prospects, financial condition and results of operations.

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2023, please see “*Financial Statements*”—*Related party transactions*” on page 98 of this Draft Letter of Offer

13. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.

Our Company has experienced negative net cash flow in, investing and financing activities in the past, the details of which are provided below:

(₹ in lakhs)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022
	Unaudited, reviewed	Audited (Consolidated)	
Net Cash Flow from/ (used in) Operating Activities	638.32	62.06	1,619.72
Net Cash Flow used in Investing Activities	(1.92)	(13.47)	(719.57)
Net Cash Flow used in Financing Activities	(630.02)	(48.15)	(901.75)

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

14. We have not been paying dividends in the past and our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. We have not paid dividends in the past and there can be no assurance that our Company will declare dividends in the future also.

15. Our promoter will continue to retain significant shareholding in our Company after the issue, which will enable them to exercise significant control over us.

After the completion of the Issue, our Promoter, will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and affect the outcome of shareholder voting. As a result, our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders.

16. There are certain legal proceedings involving our Company, Directors and Promoter, an adverse outcome in which, may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Our Company, its Directors and Promoter are involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. A brief detail of such outstanding litigations as on the date of this Draft Letter of Offer are as follows:

Litigations involving our Company

Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Tax Proceedings	2	386.68

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Proceedings involving material violations of statutory regulations by our Company	Nil	Nil
Labour Matters	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations above the materiality threshold	2	2,141.55
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

**To the extent quantifiable*

Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	2	118.90
Direct Tax Matters	Nil	Nil
Indirect Tax Matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	3	1704.50
Proceedings involving Statutory Regulations	1	82.18

**To the extent quantifiable*

Litigations involving our Promoters / Directors

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in Lakhs)
Criminal matters	Nil	Nil
Direct tax matters	Nil	Nil
Indirect tax matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

**To the extent quantifiable*

We cannot provide any assurance that these matters will be decided in our favour. Further, there is no assurance that legal proceedings will not be initiated against our Company, its Directors or Promoter in future. For further details on the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" on Page 123 of this Draft Letter of Offer.

17. We have certain statutory dues as on March 31, 2023, the details of which are as under;

There are outstanding undisputed statutory dues as on March 31, 2023 for a period of more than six months from the date they became payable as per the online Income tax portal of the Company, the details of which are as follows:

Nature of Statutory Dues	Assessment Year	Amount Due in ₹ lakhs
Income Tax	2017-18	10.22 Lakhs (excluding interest and penalty thereon)
Income Tax	2018-19	148.01 Lakhs (excluding interest and penalty thereon)
Income Tax	2019-20	250 Lakhs (excluding interest and penalty thereon)
Income Tax	2020-21	35.40 Lakhs (excluding interest and penalty thereon)

Further, there are no disputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, GST and other statutory dues which have not been deposited on account of dispute except as stated below:

Particulars	Period for which the amount relates	Forum where the dispute is pending	Amount in ₹ lakhs
Income Tax	FY 2013-14	Assessing Officer	0.42
Income Tax	FY 2020-21	Assessing Officer	4.13
VAT	FY2013-14	JCT Appeals	23.18

18. Our contingent liabilities could materially and adversely affect our financial condition.

The following are the Contingent Liabilities as on March 31, 2023:

- a) Claims against Company not acknowledged as debts:

Particulars	Period for which the amount relates	Forum where the dispute is pending	Amount in ₹ lakhs
Income Tax	FY 2013-14	Assessing Officer	0.42
Income Tax	FY 2020-21	Assessing Officer	4.13
VAT	FY2013-14	JCT Appeals	23.18
Elecon	2011-12,2012-13, 2013-14 and 2014-15	Arbitration	109.74
FL Smidth	2010-11	Mumbai High Court	USD32.65

- b) Guarantees given to the company's bankers: ₹ 821.99 lakhs (P.Y.: ₹ 436.14 lakhs)

If these contingent liabilities materialise, fully or partly, our financial condition could be materially and adversely affected.

19. There are dues to SMEs as at the end of March 31, 2022 March 31, 2023 and as on December 31, 2023

The following amounts were due to MSMEs as at the end of March 31, 2022, March 31, 2023 and December 31, 2023.

(Rs. In lakhs)

Particulars	FY March 31, 2022		FY Mach 31, 2023		As on December 31, 2023	
	Less than 1 year	More than 3 years	Less than 1 year	More than 3 years	Less than 1 year	More than 3 years
Trade Payables – MSME Dues	9.73	157.57	15.76	150.57	83.47	152.57

20. There are trade receivables which are pending for more than 6 months.

We have the following trade receivables which are pending for more than 6 months. Although we consider the amounts receivable as good, in the unforeseen event of not realising these amounts, our revenues and profitability could be adversely affected.

(Rs.in lakhs)

Particulars	FY March 31, 2022*		FY Mach 31, 2022*		As on December 31, 2023^	
	Less than 6 months	1-2 years	Less than 6 months	1-2 years	Less than 6 months	1-2 years
Undisputed Trade Receivables	20,170.41	6,213.89	18,004.65	6,147.63	15041.45	951.76

* Consolidated, Audited; ^ Consolidated, Unaudited subject to limited review

21. We have not spent the amount that is required to be spent on Corporate Social Responsibility for the financial year ended March 31, 2023

We were required to spend an amount of ₹ 1.90 lakhs on CSR activities for the year ended March 31, 2023. However, we have not spent the amount during the financial year and have a total unspent amount of ₹31 lakhs till date. Although no action has been taken against us till date, there can be no assurance that the concerned authorities would not initiate suitable action and such action could result in cost, and also have an adverse impact on our reputation, business, revenues and profitability.

22. There have been certain observations in the secretarial audit report issued by our secretarial auditor in the recent past.

During the financial years 2022-23 our secretarial auditor has made certain observations in the audit report by stating that there have been certain non-compliances of the LODR Regulations, which included a delayed submissions and imposition of fine.

- The Company had received letters from National Stock Exchange of India Limited and BSE Limited on 27th April, 2022 regarding levitation of fine of Rs. 80,000/- (including GST) per exchange pertaining to Regulation 295 of SEBI (ICDR) Regulations, 2018 for delay of 4 day in completion of Bonus Issue. The Company had paid Rs. 80,000/- (plus GST) on April 25, 2022 and April 27, 2022. The Company has filed for waiver application to both the exchange and are awaiting their reply.
- Clarification sought by NSE under Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Composition of Board of Directors
- Clarification sought by NSE with regards to mis-match in details of pledge holding of the Promoter provided by depositories
- Discrepancies observed by BSE that (i) Post Event holding of encumbered shares not tallying; and Promoter holding already encumbered are exceeded total holding in the disclosure under Regulation 31 of SEBI (SAST) Regulations, 2011 submitted by the listed entity.

While no show cause notices have been received, we have paid a penalty of Rs. 80,000 for such non-compliance and provided the necessary clarifications. The occurrence of such non-compliances or continued qualifications in the audit reports in future may impact our results of operations and financial position.

23. The Audit Report issued by our Statutory Auditors for the year ended March 31, 2023 has the following Emphasis of Matter

i) The Company has made investments in equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on March 31, 2023 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, keeping in view their long-term business synergy and potential, the management has been decided to value such investments at cost for the year ended March 31, 2023.

ii) The overseas sales and overseas purchases of the Company transacted during the year, are in the nature of “out and out supply” of goods which are exempted from GST as per the applicable provisions and therefore the same is not disclosed in the monthly GST returns led by the Company, however the same is disclosed in Annual GST Return (GSTR-9 / 9C) led by the Company.

24. We may infringe on the intellectual property rights of others.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we or our technology providers are infringing upon any existing third-party intellectual property rights which may force us to alter our technologies, obtain additional licenses or significantly cease some portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of whether such claims that we or our technology providers are infringing patents or other intellectual property rights have any merit, those claims could adversely affect our relationships with current or future clients, result in costly litigation, divert management’s attention and resources, subject us to significant liabilities, require us to enter into additional royalty or licensing agreements or require us to cease certain activities.

An adverse ruling arising out of any intellectual property dispute could subject us to significant liability for damages, prevent us from using technologies or developing products, or require us to negotiate licenses to disputed rights from third parties. Although patent and intellectual property disputes in the technology area are often settled through licensing or similar arrangements, costs associated with these arrangements may be substantial and could include license fees and ongoing royalties, which could be prohibitively expensive. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

25. Our registered office from which we operate is not owned by us.

We do not own the property but have taken the property on which we have our registered office on a lease from MIDC.

In case the lease agreement is not renewed on terms and conditions acceptable to us or at all at the end of the lease period, we may suffer a disruption in our operations. For further details, see the section titled “Our Business – Properties” on page 74 of this Draft letter of Offer.

26. The management of our Company is dependent upon our senior management, directors and key personnel.

We operate in an industry where the quality of our people is a critical asset. We benefit significantly from the vision, strategic guidance, experience and skills of several key members of our management team, which includes our Promoter, supported by the skills, efforts, expertise, continued performance and motivation of our Key Management Personnel, and other personnel. If any of our Promoter, Key Management Personnel cease to be associated with our Company and we fail to recruit suitable replacements in a timely manner, our ability to manage our growth and our business, results of operations and prospects may be adversely affected.

27. Insurance coverage has not taken by our company, as a result of which the loss or destruction of our assets could have a material adverse effect on our financial condition and results of operations.

While we believe that the insurance policies taken by us are adequate, they may not be sufficient to cover all the risk involved. Such insurance policies are taken on the basis of estimated period of completion of the project and estimated costs and other projections. However, we cannot assure you that our company recover all our losses in case of any damage or adverse event. We may face uninsured risks to the extent of remaining assets of the company. Further, **if** we may suffer any losses, damages and liabilities in the course of our operations and in our project development. Any such uninsured losses or liabilities could result in a material adverse effect on our business operations, financial conditions and results of operations. Further, we may not carry insurance coverage for all our projects. We may have to bear the costs associated with any damage suffered by us in respect of these uninsured projects or uninsured events.

28. Conflict of interest may arise out of common business / similar business activities shared by our Company and our Promoter Group.

Some of our Group Entities and other entities in the Group are in the EPC Business. As a result, there may be conflict of interests in allocating business opportunities between us and our Group Entities / other entities in the Group. We have also note entered into any non-compete agreements with any of our group entities. This could lead to a loss of business opportunity to our company and in turn could have an adverse effect on our revenues and results of our operations.

29. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

A portion of our total revenue from operations is denominated in currencies other than Indian Rupees. We monitor our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations. However, these activities may not always be sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Although we did not experience losses due to any failure to hedge foreign exchange risks in the past three Financial Years and the nine-month period ended December 31, 2023, we cannot assure you that this will not occur in the future. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

30. Our Company has availed unsecured loans from related parties, which are recallable in nature.

As on March 31, 2023, our Company has outstanding unsecured loans aggregating to ₹ 2587.60 lakhs, which have been extended by our Directors / Promoter which are recallable in nature and can be recalled at any time by them. We cannot assure you that the lenders will not demand repayment of the unsecured loans extended to us. In the event, the lenders seek a repayment of any these unsecured loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to carry out the operations or complete our ongoing operations. Therefore, any such demand may adversely affect our business, financial condition and results of operations.

31. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory

authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

32. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for working capital requirements and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

33. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled “Objects of the Issue”.

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

34. We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of

which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers' or businesses' personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

35. Failure to stay up to date with technological changes, as well as the uses and regulation of the internet, might be detrimental to our Company.

The industry is very dynamic and fresh. We must keep up with changing technical breakthroughs, customer and small company usage habits, internet security threats, system failure or inadequacy hazards, and governmental regulation and taxation, all of which could have a negative influence on our entity.

If we are unable to adequately react to such developments, decreased demand for our products could result in a loss of revenues or a fall in profitability. The demand for our products could fall as a result of a variety of factors, including regulatory restrictions that limit customer access to specific products, the availability of competing or alternative products, or changes in customers' financial circumstances, such as increases in income or savings. Our revenues could be severely reduced if we fail to adjust to a significant change in our clients' desire for, or access to, our products. Customers may refuse or reject products whose changes make them less appealing or less available, even if we make adjustments or launch new products to meet customer demand.

36. The COVID-19 pandemic has had, and may in the future continue to have, and any similar pandemic situations that may arise in the future, may have a material adverse impact on our business, results of operations, financial condition and cash flows.

The global spread and unprecedented impact of the ongoing COVID-19 pandemic continues to create significant volatility, uncertainty and economic disruption. The pandemic has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including lockdowns, shelter-in-place orders, social distancing measures, business closures or restrictions on operations, quarantines, travel bans and restrictions and multi-step policies with the goal of re-opening these markets. These responsive measures have severely disrupted economic and commercial activity tied to the production and sale of goods, which have impacted supply chains and routes, and, as a result, supply chain companies such as ours have experienced uncertainty and volatility. The scope, duration, and frequency of the measures implemented and the adverse effects of COVID-19 remain uncertain and could be severe. If COVID-19 infection rates resurge and the pandemic intensifies and expands geographically, its negative impacts on our business, operating expenses, gross profit and gross margin could be more prolonged and may become more severe.

37. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

EXTERNAL RISK FACTORS

38. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and IFRS, which investors may be more familiar with and consider material to their assessment of our financial condition.

Our audited summary statements of assets and liabilities as at March 31, 2022 and audited summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Financial Year 2023 have been prepared in accordance with the Ind AS, read with the Ind AS Rules.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Audited Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

39. Political, economic or other factors that are beyond our control may have adversely affect our business and results of operations.

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global

commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

41. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

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

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has 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 its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

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

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

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

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

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous

conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. 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 and financial performance and the price of our Equity Shares.

45. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions including wars amongst nations like the current Russia Ukraine conflict could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

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 market price of the Equity Shares.

ISSUE SPECIFIC RISKS

46. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Draft Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

47. SEBI has by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021 and October 01, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January

19, 2021, April 22, 2021 and October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 134 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

48. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long term capital gains tax in India if STT was paid on the sale transaction and, additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on long-term capital gains arising from sale of equity shares. However, where specified conditions are met, such long-term capital gains are only taxed to the extent they exceed Rs. 100,000.00 and unrealized capital gains earned up to January 31, 2018, continue to be exempt. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity Shares.

50. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

51. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

52. 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, 2013, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages 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 shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. 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, your proportional interests in us would be reduced.

53. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

54. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

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

55. Rights of shareholders under Indian laws 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 including in relation to class actions, 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.

SECTION III: INTRODUCTION

The Issue

The Issue has been authorised by way of resolution passed by our Board on February 16, 2024, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been approved by the Board of Directors at their meeting held on [●], 2024.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 134 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹1 each
Issue Price	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share). On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 100% of the Issue price including premium.
Issue Size	[●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of ₹ 4900 Lakhs * * <i>Assuming full subscription</i>
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari-passu</i> in all respects with the Equity Shares of our Company.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Equity Shares issued, subscribed and paid up and outstanding prior to the Issue	25,99,40,469 Equity Shares issued subscribed and paid-up. For details, please see “Capital Structure” on page [●] of this Draft Letter of Offer.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	[●] Equity Shares* * <i>assuming full subscription</i>
Security Codes for the Equity Shares	ISIN: INE741L01018 BSE Code: 534674 NSE Symbol: DUCON
ISIN for Rights Entitlements	[●]
Terms of the Issue	For details, please see “ <i>Terms of the Issue</i> ” on page 134 of this Draft Letter of Offer.
Use of Issue Proceeds	For details, please see “ <i>Objects of the Issue</i> ” on page 48 of this Draft Letter of Offer

GENERAL INFORMATION

Our Company was originally incorporated in the name and style of “Dynacons Technologies Limited“ as a Public Limited Company under the Companies Act, 1956 pursuant to a Certificate of Incorporation granted by the Registrar of Companies, Maharashtra, Mumbai on April 02, 2009. The Certificate of Commencement of Business was received on February 08, 2010. The name of our Company was changed to Ducon Infratechnologies Limited vide a fresh Certificate of Incorporation dated March 30, 2016 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was taken over by the Present promoter vide a Share Purchase Agreement dated August 08, 2014 and an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. All assets of the Business Centre Business of Ducon Technologies (India) Private Limited have been demerged and transferred to our Company vide a Scheme of Arrangement for Demerger under Sections 391 and 394 of the Companies Act, 1956 / Section 230 to 232 of the Companies Act, 2013 vide the Order of Hon’ble National Company Law Tribunal, Mumbai Bench dated March 15, 2018 The Corporate Identity Number of our Company is L72900MH2009PLC191412.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of change	Details of change in the registered office
19.03.2016	Change of the registered office address from 78, Ratnajyot Industrial Estate, Irla lane, Vile Parle (West), Mumbai – 400056 to “Ducon House”, Plot No: A/4, Road No:1, MIDC, Wagle Industrial Estate, Thane (West), Maharashtra – 400 604

Registered Office of our Company

Ducon Infratechnologies Limited

“Ducon House”, Plot No: A/4, Road No:1
MIDC Wagle Industrial Estate
Thane (West),
Maharashtra – 400 604, India
Tel: 91 22 41122114
Fax: 91 22 41122115
Website: www.duconinfra.co.in
CIN: L72900MH2009PLC191412

Registrar of Companies

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

Registrar of Companies, Mumbai
100, Everest, Marine Drive,
Mumbai-400002,
Maharashtra.

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Arun Govil	68	Managing Director	1232, Winsdor Harbour Dr, Jacksonville, Florida, USA - 32225	01914619
Harish Shetty	49	Whole Time Director & Chief Financial Officer	1002 Suprabhat Classic CHS Ltd, Bldg No 1, Shell Colony, Bendre Chowk, Sahakar Nagar, Chembur, Mumbai – 400071.	07144684

Name	Age	Designation	Address	DIN
Chandrasekhar Ganesan	64	Executive Whole Time Director	B-32, Mulund Darshan CHS, Guru Govind Singh Road, Mulund Colony, Mulund West, Mumbai – 400 080	07144708
Jinesh Bharat Shah	39	Non - Executive Independent Director	B/2, 404, Sai Prabha, S.N Road, Patil Paradise Complex, Mulund West ,Mumbai – 400080, Maharashtra	08847375
Maruti Kishanrao Deore	68	Non – Executive Non Independent Director	3, Sirohiya Apartments, Ram Baug, Lane No. 4, Opp. Guru Nanak School, Kalyan Thane	02780312
Ratna Vikram Jhaveri	36	Non - Executive Independent Director	46, Indraneel Swastic Society, N.S. Road No.3, Opp Brahmakumari Rajyog Center, JVPD Scheme Vile Parle (West), Mumbai - 400056	07732263
Prakash Lavji Vaghela	50	Non - Executive Independent Director	103, Mayuri Heights, Natvar Nagar, Road No. 2, Near Surjba School, Jogeshwari East, Mumbai – 400060	07768595
Apeksha Agiwal	31	Non - Executive Independent Director	72, Bohra Ganesh Road, Bahu Bali Colony DhulKot, Girwa, Udaipur, Rajasthan - 313001	10083559

For detailed profile of our directors, please refer to the chapter titled “*Our Management*” on page 75 of this Draft Letter of Offer.

Chief Financial Officer

Mr Harish Shetty is the CFO of our Company. His contact details are:
“Ducon House”, Plot No: A/4, Road No:1
MIDC Wagle Industrial estate
Thane (West),
Maharashtra – 400 604, India
Tel: +91 22 41122114
Fax no: +91 22 41122115
Email: hshetty@duconinfra.co.in

Company Secretary and Compliance Officer

Mr Darshit Parikh is the Company Secretary and Compliance Officer of our Company. His contact details are:
“Ducon House”, Plot No: A/4, Road No:1
MIDC Wagle Industrial Estate
Thane (West), Maharashtra – 400 604, India
Tel: +91 22 41122114
Fax no: +91 22 41122115
Email: cs@duconinfra.co.in

Details of Key Intermediaries pertaining to this Issue: Lead Manager to the Issue

Mark Corporate Advisors Private Limited

404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off W. E. Highway, Vile Parle (East),
Mumbai-400 057.
Tel. No.: +91 22 2612 3207/08
E-Mail ID: info@markcorporateadvisors.com
Investor grievance email id: investor.grievance@markcorporateadvisors.com
Website: www.markcorporateadvisors.com

Contact Person: Manish Gaur
SEBI Reg. No.: INM000012128

Registrar to the Company / Issue

Bigshare Services Private Limited

S6-2 6th Floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra.
Tel No: +91 22 6263 8200 : Fax No: +91 22 6263 8299
Email: : rightsissue@bigshareonline.com
Website: www.bigshareonline.com:
Contact Person: Mr Suraj Gupta
SEBI Registration Number: INR000001385

Legal Advisor to the Issue

RMA Legal

209, Midas, Sahar Plaza Complex
Andheri Kurla Road
Andheri (East)
Mumbai- 400 059
Tel: +91 22 49602645
Email : mumbai@rmalegal.net
Contact Person : Ms Meenakshi Acharya

Statutory and Peer Review Auditor of our Company

Hitesh Shah & Associates

Chartered Accountants

208, 2nd Floor, Plot No: 26
Shalimar Miracle
Opp Citi Centre, Above McDonalds,
Jawahar Nagar, S V Road
Goregaon (West), Mumbai – 400 062
Maharashtra, India
Email: hiteshshah@associates@gmail.com / ca.hsa1988@gmail.com
Tel: +91 22 52745501
Contact Person: Mr Hitesh Shah
Firm Registration Number: 103716W
Peer Review Certificate Number: 015975

Bankers to the Issue/ Refund Bank

[•]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Mark Corporate Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of

responsibilities is not required.

Expert Opinion

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

Our Company has received written consent dated February 27, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “Expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its , in their capacity as the Statutory Auditors and in respect of their: (i) audit report dated May 30, 2023 relating to the audited Ind AS financial statements as at and for the year ended March 31, 2023 and (ii) review report dated February 06, 2024 related to the unaudited interim financial results as at and for the nine month period ended December 31, 2023 and (ii) Statement of Special Tax Benefits dated March 23, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “Expert” shall not be construed to mean an “Expert” as defined under the Securities Act, 1933.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is a Rights Issue of Equity Shares, credit rating is not required.

Debenture Trustees

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

Monitoring Agency

Since the size of the issue is less than Rs.10,000 lacs, under Regulation 82 of the SEBI ICDR Regulations, a monitoring agency is not required to be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Changes in Auditors during the last three years

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Draft Letter of Offer.

Underwriting Agreement

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

* *The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*
The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] [●] 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, being [●],[●] 2024.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Neither our Company nor the Registrar to the Issue will be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, see “Terms of the Issue” on page 134 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue

Minimum Subscription

Our Promoter has informed us that he may not fully subscribe to his entitlements arising out of the proposed Rights Issue and may renounce a part of his rights entitlement in the favour of third parties whom our Promoter may identify in the due course. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription i.e. subscription of 90 % of the Issue is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants forthwith, but not later than four days from the closure of the Rights Issue.

Capital Structure

The equity share capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below.

(₹ Lakhs except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	40,00,00,000 Equity Shares of ₹1 each	4000.00	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	25,99,40,469 Equity Shares of ₹1 each	2599.40	
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
	Up to [●] Rights Equity Shares, at a premium of ₹[●] per Rights Equity Share, <i>i.e.</i> , at a price of ₹[●] per Rights Equity Share ⁽²⁾	[●]	4900.00
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽³⁾⁽⁴⁾		
	Up to [●] Equity Shares	[●]	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		5785.89
	After the Issue		[●] ⁽³⁾

^{(1) & (2)} The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated February 16, 2024.

⁽²⁾ On Application, Investors will have to pay [●] per Rights Equity Share which constitutes 100% of the Issue Price.

⁽³⁾ Assuming full subscription for and Allotment of the Rights Equity Shares.

⁽⁴⁾ Subject to finalisation of Basis of Allotment.

NOTES TO CPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Pursuant to letter dated April 23, 2024 our Promoter has confirmed that he may not fully subscribe to his entitlements arising out of the proposed Rights Issue and may renounce a part of his rights entitlement in favour of third parties who may be identified in the due course. Therefore, minimum subscription criteria (of at least 90% of the Issue) as provided in Regulation 86(1) of the SEBI ICDR Regulations is applicable. Pursuant to Regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than 4 days from the closure of the Rights Issue..

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ / [●]- per equity share.
3. At any given time, there shall be only one denomination of the Equity Shares of our Company.
4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see “Terms of the Issue” on page 134 of this Draft Letter of Offer.
5. Shareholding Pattern of our Company as per the last filing with the Stock Exchange:

The summary statement of the shareholding pattern of our Company as on March 31, 2024, is as follows

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (++VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	1	13,50,84,665	0	0	13,50,84,665	51.97	15,50,84,665	13,50,84,665	51.97	0	0	12,82,97,840	82.73	200,00,000	0	135084665
(B)	Public	52,602	12,48,55,804	0	0	12,48,55,804	48.03	12,48,55,804	12,48,55,804	48.03	0	0	0	0	0	0	12,45,38,145
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		52,603	25,99,40,469	0	0	25,99,40,469	100.00	25,99,40,469	25,99,40,469	100.00	0	0	12,82,97,840	49.36	200,00,000	0	25,96,22,810

i. The statement of the shareholding pattern of our Company as on March 31, 2024 is as follows:

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	1	13,50,84,665	13,50,84,665	51.97	13,50,84,665	51.97	13,50,84,665
(B) Public	52,602	12,48,55,804	12,48,55,804	48.03	12,48,55,804	48.03	12,45,38,145
Grand Total	52,603	25,99,40,469	25,99,40,469	100.00	25,99,40,469	100.00	25,96,22,810

ii. Statement showing holding securities of persons belonging to the category Promoters and Promoter Group” as at March31, 2024:

Category of Shareholder	No. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
a. Individuals/ Hindu Undivided Family	1	13,50,84,665	13,50,84,665	51.97	13,50,84,665	51.97	13,50,84,665
Arun Govil	1	13,50,84,665	13,50,84,665	51.97	13,50,84,665	51.97	13,50,84,665
b. Body Corporates	0	0	0	0	0	0	0
Sub- total of A1	1	13,50,84,665	13,50,84,665	51.97	13,50,84,665	51.97	13,50,84,665
A2) Foreign							
Sub-total of A2	-	-	-	-	-	-	-
A= A1+ A2	1	13,50,84,665	13,50,84,665	51.97	13,50,84,665	51.97	13,50,84,665

iii. Statement showing holding of securities of persons belonging to the “public” category as on March 31, 2024:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (Calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
B1) Institutions							
Banks (Domestic)	1	330	330	0.00	330	0	330
Foreign Portfolio Investors	1	54,396	54,396	0.02	54,396	0.02	54,396
Sub Total B1	2	54,696	54,696	0.02	54,696	0.02	54,696
B2) Central Government/ State Government(s) / President of India	-	-	-	-	-	-	-
Sub Total B2	-	-	-	-	-	-	-
B3) Non-Institutions							
Individual share capital up to ₹ 2 Lakhs	51,449	7,57,66,854	7,57,66,854	29.15	7,57,66,854	29.15	7,54,49,956
Individual share capital in excess of ₹. 2 Lakhs	27	3,53,43,235	3,53,43,235	13.60	3,53,43,235	13.60	3,53,43,235
Any Other							
IEPF	-	-	-	-	-	-	-
Non-Resident Indian (NRI)	291	21,90,005	21,90,005	0.84	21,90,005	0.84	21,90,005
Clearing Members	44	30,25,831	30,25,831	1.16	30,25,831	1.16	30,25,831
Bodies Corporate	158	47,61,164	47,61,164	1.83	47,61,164	1.83	47,61,164
HUF	630	37,13,439	37,13,439	1.43	37,13,439	1.43	37,12,678
Trust	1	550	550	0.00	550	0.00	550
Sub-total B3	52,600	12,48,01,078	12,48,01,078	48.01	12,48,01,078	48.01	12,44,83,419
B= B1+B2+B3	52,602	12,48,55,804	12,48,55,804	48.03	12,48,55,804	48.03	12,45,38,145

- iv. *Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges: i.e. March 31, 2024*

S. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Arun Govil	13,50,84,665	51.97
2.	Pratik Banji Dabhi	1,61,79,984	6.22
3.	Sandeep Padmakant Parikh	43,79,270	1.68

- v. *Details of shares locked-in, pledged, encumbrance by the Promoters and the Promoter Group:*

As on date of this Draft Letter of Offer, 12,82,97,840 equity shares held by the promoter constituting 94.98% of his total holding and 49.36 % of the total paid-up capital of the Company are locked-in. Further, 2,00,00,000 equity shares held by the promoter constituting 14.81% of his total holding are pledged.

- vi. *Details of shares acquired by Promoters in the last one year immediately preceding the date of filing of this Draft Letter of Offer:*

S. No.	Name of the Promoter and Promoter Group	Number of shares acquired	Mode of Acquisition	Date
NIL				

6. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Draft Letter of Offer. The Company has taken necessary approvals from the shareholders for granting 15,68,462 stock options to the employees. Although necessary in-principle approvals have been taken from the Stock Exchanges, the scheme is yet to be implemented.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. For meeting the working capital requirements of the Company
2. For General corporate purposes.

(Collectively, referred to hereinafter as the “**Objects**”)

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue

Details of Gross Proceeds of the Issue

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

<i>(₹ in lakhs)</i>	
Particulars	Amount
Gross Proceeds from the Issue	4900.00
Less: Issue related expenses	[●]
Net Proceeds from the Issue	[●]

Utilisation of Net Proceeds

The details of the Net Proceeds are set forth in the following table:

<i>(₹ in lakhs)</i>	
Particulars	Amount
For meeting the working capital requirements of the Company	3700.00
General Corporate Purposes	[●]
Net proceeds from the Issue	[●]

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms 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 from the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2024-25.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Details of the Objects of the Issue

1. To meet the working capital requirements of the Company

We fund a majority of our working capital requirements in the ordinary course of business from internal accruals. We propose to utilise ₹ 3,700.00 lakhs from the Net Proceeds of the Issue to fund the working capital requirements of our Company in Fiscal Year 2024-25 as stated in the below table.

Basis of estimation of long-term working capital requirement

The details of Company's working capital as at March 31, 2022 and as at March 31, 2023 and the source of funding, on the basis of audited standalone financial statements, as certified by our Statutory and Peer Review Auditor, M/s Hitesh Shah & Associates, Chartered Accountants, vide their report dated April 25, 2024 are provided in the table below. Further, in light of the incremental business requirements, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024 and Fiscal 2025. The proposed funding of such working capital requirements is as set out in the table below:

(Rs.in Lakhs)

	2022-23	2023-24	2024-25
Particulars of Assets	Audited	Estimated	Projected
Current Assets			
Cash and Cash Equivalents	1,030.74	1088.15	1,154.00
Inventories	-	-	-
Short term investments	-	-	-
Trade Receivables	23,773.37	26,651.71	32,102.12
Advances	0.64	0.76	1.25
Other Current Assets	501.95	537.89	610.00
Total (A)	25,306.70	28,278.51	33,867.37
Current Liabilities			
Trade Payables	3,745.84	4,629.71	4,750.00
Other Current Liabilities & advances	839.08	1,221.97	1,540.00
Total (B)	4,584.92	5,851.68	6,290.00
Net Working Capital (A)-(B)	20,721.78	22,426.83	27,577.37
Sources of Working Capital			
i) Fund Based Borrowings	6,022.08	5,943.80	6,000.00
ii) Internal Accruals/ Other Borrowings	14,699.70	16,483.03	17,877.37
iii) Rights Issue Proceeds	-	-	3,700.00

Assumption for future working capital requirements:

(No. of Days)

Particulars	Holding level as on March 31, 2023 (audited)	Holding level as on March 31, 2024 (estimated)	Holding level as on March 31, 2025 (projected)
Current Assets			
Inventories	0	0	0
Trade Receivables	278	309	309
Current Liabilities			

Particulars	Holding level as on March 31, 2023 (audited)	Holding level as on March 31, 2024 (estimated)	Holding level as on March 31, 2025 (projected)
Trade Payables	49	59	52

Justification for “Holding Period” levels:

The justifications for the holding levels mentioned in the table above are provided below:

Current Assets	
Inventories	We do not hold any Inventory. Hence the levels are assumed to be Nil. Inventory levels have been estimated in line with the current holdings and the projected level of activity
Trade Receivables	Our Company has assumed the holding levels for trade receivables of 309 days on the basis of the previous holdings for receivables
Current Liabilities	
Trade Payables	Our trade payables have a direct correlation to our business growth. Holding level for trade payables is assumed as 52 days which is line with the past levels and the estimated operations for FY 2023-24

Our Rights Issue Committee pursuant to its resolution dated April 25, 2024 has approved the estimated working capital requirements for Fiscal year 2024 and the projected working capital for the Fiscal Year 2025 and the proposed funding of such working capital requirements.

1. General Corporate Purposes

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Accordingly, we have earmarked an amount of ₹ [●] Lakhs towards General Corporate Purpose. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Undertaking by our Promoter and Promoter Group

Our Promoter Arun Govil has undertaken not to fully subscribe to his entitlements arising out of the proposed Rights Issue and may renounce a part of his rights entitlement in favour of third parties who may be identified in the due course. Therefore, non- applicability of the minimum subscription criteria provided in Regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue.

Interest of Promoters and Directors in the objects of the Issue

Our Promoter and none of our Directors have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

Deployment of funds

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2025. However, if the Net Proceeds raised are not completely utilised for the objects stated above by Fiscal 2025 due to various factors beyond our control, such as market conditions, competitive environment, interest rate fluctuations and other commercial considerations, the same would be utilised (in part or full) in Fiscal 2026.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount (₹ in Lakhs)	As a percentage of total issue expenses	As a percentage of Issue size*#
Fees of the Merchant Bankers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[•]	[•]	[•]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[•]	[•]	[•]
Total estimated Issue expenses^{*^}	[•]	100.00	[•]

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds towards the stated Objects of the Issue, our Company shall not use/deploy the Net Proceeds for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lacs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Appraising entity

None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

Strategic or financial partners

There are no strategic or financial partners to the Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment/prepayment of certain unsecured loans availed by our Company from the Promoter Group members and payments made in the ordinary course of business, there are no material existing or anticipated transaction.

STATEMENT OF TAX BENEFITS



HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS



CA. HITESH SHAH
B. COM, F.C.A., DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A.

CA. FALGUNI SHAH
B. COM, F.C.A., DBF

Statement of possible special tax benefits available to the Company, its Subsidiary and its Shareholders

To,
The Board of Directors,
Ducon Infratechnologies Limited,
Ducon House, Plot No. A/4, Road No. 1,
MIDC, Wagle Industrial Estate
Thane 400 604.

Subject: Statement of Special Possible Tax Benefits available to Ducon Infratechnologies Limited and its shareholders.

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and indirect tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2024 and the Taxation Laws (Amendment) Act, 2021 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company, its subsidiaries and its shareholders. Several of these benefits are dependent on the Company, its subsidiary and its shareholders as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company, its subsidiary and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its shareholders faces in the future, the Company, its subsidiary and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, its subsidiary and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Annexures are not exhaustive. 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

208, 2ND FLOOR, PLOT NO. 26, SHALIMAR MIRACLE, OPP. CITI CENTRE, ABOVE McDONALDS, JAWAHAR NAGAR,
S. V. ROAD, GOREGAON (W), MUMBAI - 400062. OFF. TEL : 9152745501, MOBILE : 98211 40636 / 98211 97888
EMAIL : ca.hsa1988@gmail.com/ aikapadia1104@gmail.com / hiteshshahandassociates@gmail.com
aikapadia19@yahoo.com





HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS



CA. HITESH SHAH
B. COM, F.C.A., DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A.

CA. FALGUNI SHAH
B. COM, F.C.A., DBF

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. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

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

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

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

Yours faithfully,

For M/s. Hitesh Shah & Associates.
Chartered Accountants
Firm Registration Number: 103716W

CA Hitesh Shah, Partner
ICAI Membership Number: 040999
March 23, 2024.
Mumbai
UDIN: 24040999BKEADL6879





ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO DUCON INFRATECHNOLOGIES LIMITED (THE "COMPANY"), ITS SUBSIDIARY AND ITS SHAREHOLDERS

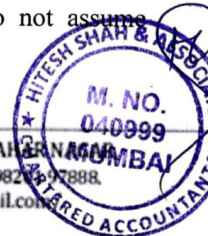
I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. *Special tax benefits available to the Company under the Act*
There are no special tax benefits available to the Company.

2. *Special tax benefits to the shareholders under the Act*
There are no special tax benefits available to the shareholders of the Company.

Notes:

- a) The above Statement sets the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.
- d) This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.





ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO PATEL INTEGRATED LOGISTICS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

- 1. Special indirect tax benefits available to the Company under the Act*
There are no special indirect tax benefits available to the Company.
- 2. Special indirect tax benefits available to the shareholders under the Act*
There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

- a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
- c) This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- d) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Indian Economy

Introduction

Strong economic growth in the first quarter of FY23 helped India to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices (2011-12) in the first quarter of 2023–24 is estimated at Rs. 40.37 trillion (US\$ 484.94 billion), showing a growth of 7.8% as compared to the first quarter of 2022-23 estimated at Rs. 37.44 trillion (US\$ 449.74 billion). Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In 2023-24 (April-September), India's service exports stood at US\$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-September) were estimated at US\$ 376.29 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

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

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US\$ 848.92 billion), as against Rs. 65.42 trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022–2023.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown.

The Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India

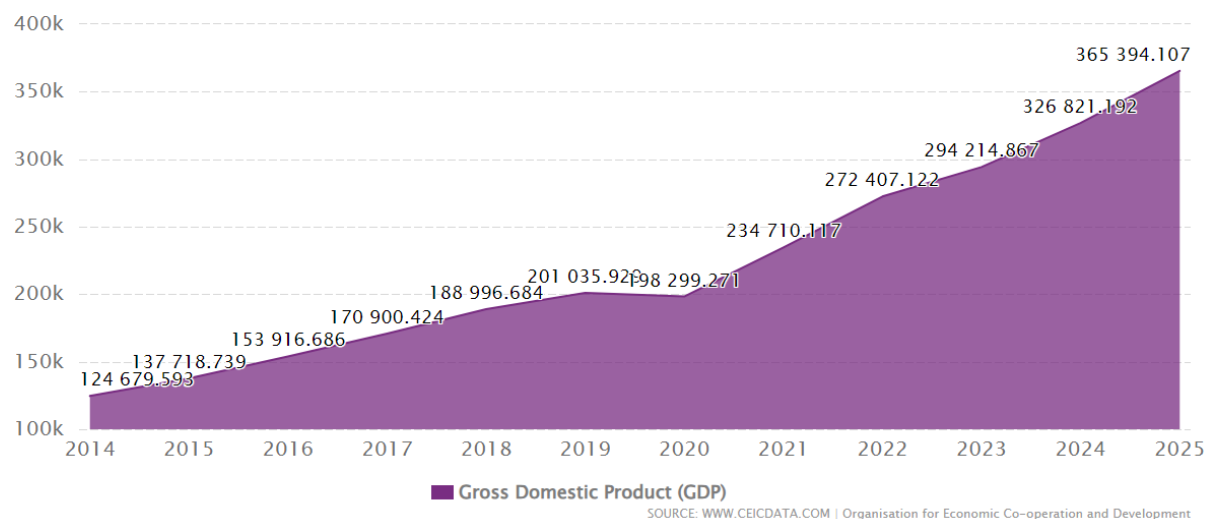
ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview> - updated as on November 2023)

The growth of India's GDP



(Source: <https://www.ceicdata.com/en/india/gdp-by-expenditure-forecast-non-oecd-member-annual/in-gross-domestic-product-gdp>)

Engineering Procurement & Construction – Heavy Engineering

Large-scale infrastructure and industrial projects are the focus of the Engineering, Procurement, and Construction (EPC) industry, which is an all-inclusive and integrated project delivery approach. EPC guarantees a smooth and effective completion of the project by covering every stage of its lifecycle, from conception and design to material procurement and construction.

India has a strong engineering and capital goods market. Engineering is India's largest industrial segment and accounts for nearly 3-4 per cent of the country's economy and employs more than 4 million skilled and semi-skilled workers. Further, Private Industrial Capex appears to be getting into a whole new cycle after the pandemic hiccup – this time around armed with a new set of growth drivers. Also, large players in metals and cement, where utilisation levels are elevated and balance sheets healthy, will continue on their capex plans (brownfield in near term and greenfield in medium to long term). Large business houses with healthy financial standing are have also

entered into MOUs with the State Governments to enter the segment with green field projects.

Flu-Gas Desulfurization – Analysing India’s prominence

A study by the National Institute of Health estimates that around **2 million** deaths occur annually due to chronic respiratory diseases. Long exposures to outdoor air pollution and the toxic effects of biomass fuel are the major risk factors. Thus, an ongoing surge in emissions drives the demand for **flue gas desulfurization** across several industries like iron and steel, cement production, and power generation. Triton’s report estimates that the Global Flue Gas Desulfurization Market is likely to advance with a CAGR of **4.93%** over the forecast years **2023-2030**. The pollution levels are rising, especially in emerging countries within Asia-Pacific. Due to rapid industrialization, coal combustion has become a huge source of sulfur dioxide (SO₂) emissions. This boosts the demand for FGD systems. Accordingly, *our analysis suggests that the Asia -Pacific flue gas desulfurization market is expected to witness the fastest growth at 5.42% CAGR during the forecast period 2023-2032.*

Several governments have introduced stringent regulatory norms primarily centered on deploying these systems to target air pollution. With a sustainable energy vision, India has emerged as a major contender within the Asia-Pacific region.

Let’s dive deeper into examining the factors that derive its prominence.

India: Emerging Hub in Flue Gas Desulfurization Market

Mitigating Pollution Levels on Priority

As per Greepeace (an environmental NGO), India is the largest emitter of SO₂ in the world. It is contributing more than 15% of global anthropogenic emissions. Thus, it becomes imperative for India’s coal-based thermal power plants to adopt FGDs. In this regard, wet FGD systems are highly effective in removing sulfur dioxide and other pollutants from flue gases.

Given the rising prominence, Leading Power produces are in the process of installing FGD system to reduce the pollution. Reputed business house like, Adani Group have placed order worth ₹6,163.20 crore for 5 FGD projects with Power Mech Projects Ltd in 2022. These projects are to be implemented at the coal-based power plants over the next 30 months. In order to achieve compliance with emission standards and mitigate the environmental impact of sulfur dioxide emissions, the market for flue gas desulfurization is rising.

With robust growth witnessed in the Indian economy, huge capacity addition and new green field projects in never seen earlier volume are being added in the Power Sector which by default have to come with FGD systems as per the regulatory norms.

Government’s Regulatory Push

The government has focused on reduction of emissions from coal-based thermal power plants in accordance with the Intended Nationally Determined Contributions (INDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) that has committed to curb emission intensity of its economy by 30-35 per cent from the 2005 level by 2030. The Union Environment Ministry in India specified stringent emission norms for coal-based power plants in December 2015. Adhering to them, a large number of India’s coal power plants aimed to install FGDs by 2022. However, less than 8% of those plants have successfully adopted these solutions, which led to an issuance of latest Notification extension of the deadline until December 2027.

The Ministry of Environment, Forest and Climate Change (MoEFCC), has issued Notification No: G.S.R. 682 (E) titled 'Environmental (Protection) Second Amendment Rules, 2022 dated 5th September 2022 with the objective of reducing emissions of SO₂ at thermal power plants (TPPs). This Notification has categorised the Thermal Power Plants into Three groups based on the Location /Area and fixed timelines for compliance for SO₂ emission as Dec 2024, Dec 2025 and Dec 2026 respectively. The non-complying units have to be retired. Until then the Non-compliant units have to pay Environmental Compensation ranging from 0.20 paise to 0.40 paise per unit. The above Notification has left the power industry no other option but to go for Air Pollution Control Systems (FGD).

(Source : Company Annual Report for the Financial Year ended March 31, 2023)

According to projections by the Indian Ministry of Environment, Forest and Climate Change (MoEFCC), 161,522 MW of thermal plants are expected to install retrofitted FGD systems to reduce SO_x emissions. This is expected to drive the FGD market revenue growth over the forecast period.

Source: (<https://www.reportsanddata.com/report-detail/flue-gas-desulphurization-market#:~:text=According%20to%20projections%20by%20the,growth%20over%20the%20forecast%20period>)

Abundance of Raw Material

Limestone is the primary material required for FGD systems in power plants. India owns around **282** coal power plants, for which high-quality limestone (CaCO₃ > 90%) is desirable. This fine-quality limestone is already being produced by India, especially for the *steel and chemical industries*.

Interestingly, *India is one of the largest producers of limestone in the world*, with **27%** of the total resources found in Karnataka. Annually, the nation produces **338** million tonnes of limestone. As per CSE, a rough estimate shows that a **500 MW** plant will need about **32,000 – 40,000** tonnes of limestone annually, which costs around **₹3 – ₹4 crore**. As a majority of power plants are also located within **200 km** of a limestone mine, accessibility becomes less challenging. Therefore, resource abundance and regional distribution significantly indicate the ease of FGD installation.

Extensive utilisation of byproduct

One of the multiple benefits offered by deploying limestone is the generation of **gypsum** as a key byproduct of FGD systems. Since it is a scarce resource in India, the adoption of FGD enables India's power plants to produce about **12 – 17 million tonnes** of gypsum. This will reduce the import burden and facilitate the use of synthetic gypsum. It will also help to meet the domestic demand for gypsum as an integral component of cement production. In the long term, power plants can, therefore, offset the cost of limestone by utilizing all the FGD gypsum produced or by selling it.

Future Prospectus : Advancements in FGD Technology

The need for flue gas desulfurization systems is witnessing a significant expansion due to several advancements by major Indian manufacturers like GE Power, Mitsubishi Power LTD, and Tata Consulting Engineers Limited. Technologies such as fuel switching, boiler modernization, catalytic convertors, fluidized bed combustion, etc, are used to mitigate SO₂ emissions. In the evolving industrial landscape, the application of multi-pollutant technologies to control pollutants is essential. This also paves the way for stakeholders to explore opportunities emerging in the FGD market.

(<https://blogs.tritonmarketresearch.com/flue-gas-desulfurization-analysis>)

MARKET PERFORMANCE – DRIVERS, CHALLENGES, AND OPPORTUNITIES

The market is driven by several key factors, including stringent environmental regulations, growing public awareness regarding environmental sustainability, and health concerns fostering a demand for cleaner air and reduced pollution. Moreover, the expansion of the power generation and industrial sectors, particularly in emerging economies, amplifies the need for efficient FGD systems. Additionally, economic incentives, technological advancements, and the pursuit of sustainable energy solutions further boost the FGD market. The burgeoning global population and expanding industries necessitate a higher production of electricity, often reliant on coal-fired power plants. However, coal combustion is a significant source of sulfur dioxide emissions. To mitigate environmental damage and comply with stringent emissions regulations, the implementation of flue gas desulfurization systems becomes imperative, ensuring sustainable energy production.

On the other hand, high initial and operational costs associated with implementing FGD systems limit the market's growth. The substantial investment required for the installation and maintenance of FGD technologies

can deter companies, especially smaller enterprises, from adopting these systems. Additionally, the complexity of integrating these systems into existing industrial infrastructures and the need for skilled personnel to operate and maintain these systems contribute to cost challenges.

Nevertheless, flue gas desulfurization (FGD) gypsum, a by-product of coal-fired power plants, is increasingly being recognized for its role as a valuable soil conditioner, creating significant opportunities for the market. FGD gypsum, due to its high calcium and sulfur content, exhibits the ability to enhance soil quality by improving aggregation, reclaiming sodic soils, and increasing water penetration. This environmentally and economically viable approach boosts soil quality and encourages crop production, aligning with sustainable agricultural practices. As the demand for FGD gypsum grows and more businesses invest in FGD systems, the market for this versatile soil conditioner is expected to expand, offering valuable advantages for agriculture and environmental sustainability.

(Source : <https://www.tritonmarketresearch.com/reports/flue-gas-desulfurization-market>)

(Source : Company Annual Report for the Financial Year ended March 31, 2023)

II. Dry Bulk Handling System

The efficient storage of bulk materials is paramount in industries spanning agriculture, mining, construction, and manufacturing. It's the linchpin of maintaining product quality, optimizing processes, and curbing operational costs. In this article, we journeyed through the latest innovations in dry bulk storage technology. From groundbreaking materials and intelligent monitoring systems to sustainable solutions and space-efficient designs, these advancements are revolutionizing how we store and manage bulk materials.

Advanced Materials for Silos and Containers

The choice of materials for constructing silos and containers profoundly affects their durability and performance. While traditional steel structures have served us well, they are not without their vulnerabilities. Enter innovations in advanced materials:

- **Fiber-Reinforced Polymers (FRP):** These materials offer exceptional corrosion resistance, ideal for storing corrosive bulk materials like fertilizers and chemicals. Lightweight, durable, and requiring minimal maintenance, FRP structures cut long-term operational costs.
- **Concrete Alternatives:** Engineers are exploring innovative concrete alternatives, such as ultra-high-performance concrete (UHPC) and geopolymer concrete, for building silos and storage structures. These materials provide enhanced strength, durability, and resistance to chemical degradation.

IoT-Enabled Monitoring and Predictive Maintenance

The integration of the Internet of Things (IoT) into dry bulk storage technology has ushered in a new era of monitoring and maintenance practices:

- **Sensor Networks:** Sensors scattered throughout storage structures continuously collect data on temperature, humidity, material levels, and structural integrity. This real-time information allows for the early detection of issues and proactive maintenance.
- **Remote Monitoring:** IoT-enabled systems enable operators to monitor storage facilities remotely, granting access to critical data and the ability to respond swiftly to changing conditions or emergencies.

Enhanced Material Flow Control

Efficient material flow is the lifeblood of production processes. Innovations in material flow control systems are boosting productivity and slashing the risk of blockages:

- **Vibratory and Air Fluidizers:** These devices use mechanical vibrations or compressed air to prevent bulk materials from adhering to silo and container walls, guaranteeing a consistent flow.
- **Flow Aids and Liners:** Innovative liners and flow aids minimize friction and promote the flow of even the most challenging bulk materials, warding off material buildup and flow interruptions.

- **Discharge Gates and Valves:** Advanced gate and valve designs allow precise control of material discharge rates, reducing waste and increasing process efficiency.

Automation and Robotics

Automation is increasingly prevalent in dry bulk storage facilities, yielding safety and efficiency dividends:

- **Robotic Material Handling:** Automated robots are deployed for material loading, unloading, and palletizing tasks. These robots enhance accuracy, cut labour costs, and elevate workplace safety.
- **Automated Inventory Management:** Advanced inventory management systems employ robotics and sensors to oversee material levels, reorder supplies, and optimize inventory turnover.

Safety and Risk Mitigation

Safety is a paramount concern in material handling, and innovations in dry bulk storage technology are tackling risks and enhancing workplace safety:

- **Dust Control and Ventilation:** Enhanced dust control systems and improved ventilation technology curtail the risk of dust explosions and safeguard worker health.
- **Structural Health Monitoring:** Continuous monitoring of storage structure integrity identifies potential issues early, thwarting catastrophic failures and ensuring workplace safety.

Customization and Design Software

The demand for customized storage solutions is on the rise, and innovative design software facilitates tailor-made designs:

- **CAD and 3D Modelling:** Computer-aided design (CAD) software and 3D modelling tools empower engineers to craft precise and customized storage solutions that align with unique project requirements.
- **Simulation Software:** Simulation software aids in optimizing the layout and design of storage facilities, guaranteeing efficient material flow and minimal material degradation.

Enhanced Material Flow Control

Efficient material flow is the lifeblood of production processes. Innovations in material flow control systems are boosting productivity and slashing the risk of blockages:

- **Vibratory system:** This device use mechanical vibrations to prevent bulk materials from adhering to silo and container walls, guaranteeing a consistent flow.
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- **Discharge Gates and Valves:** Advanced gate and valve designs allow precise control of material discharge rates, reducing waste and increasing process efficiency.

Conclusion

Innovations in dry bulk storage technology are reshaping material handling across diverse industries. Advanced materials, IoT-enabled monitoring, sustainability-driven solutions, and automation collectively drive storage facilities' efficiency, safety, and environmental responsibility. As the demand for efficient and sustainable material handling continues to surge, these innovations will remain pivotal in the future of dry bulk storage technology. They ensure the seamless flow of materials while reducing operational costs for industries on a global scale.

(Source: <https://bulkininside.com/bulk-solids-handling/storage-transportation/innovations-in-dry-bulk-storage-technology-shaping-the-future-of-material-handling>)

III Rural and Urban Electrification

In December 2014, the Ministry of Power launched the Deen Dayal Gram Jyoti Yojana (DDGJY) which subsumed RGGVY. The main object of the scheme was to ensure 100% rural electrification in a targeted manner. It also

involved improving sub-transmission and distribution infrastructure in rural areas.

In 2015, the Central Government launched the Integrated Power Distribution Scheme (IPDS) with the objective to provide 24/7 power for all. One of the flagship programmes of the Ministry of Power, IPDS aims at strengthening of sub-transmission network, and also the metering, IT application, Customer care services and the completion of the ongoing works of Restructured Accelerated Power Development and completion of the Reforms Program (RAPDRP). The new Saubhagya Scheme (Pradhan Mantri Sahaj Bijli Har Ghar Yojana) seeks to ensure universal household electrification, that is, in both rural and urban areas. Under this scheme, the identified poor households will get free electricity connections.

(Source : Company Annual Report for the Financial Year ended March 31, 2023)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 21 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as “Audited Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 79 and 113 respectively, of this Draft Letter of Offer for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.

Our Company was originally incorporated in the name and style of “Dynacons Technologies Limited“ as a Public Limited Company under the Companies Act, 1956 pursuant to a Certificate of Incorporation granted by the Registrar of Companies, Maharashtra, Mumbai on April 02, 2009. The Certificate of Commencement of Business was received on February 08, 2010. The name of our Company was changed to Ducon Infratechnologies Limited vide a fresh Certificate of Incorporation dated March 30, 2016 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company was taken over by the Present promoter pursuant to a Share Purchase Agreement dated August 08, 2014 and an open offer made under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. All assets of the Business Centre business of Ducon Technologies (India) Private Limited have been demerged and transferred to our Company vide a Scheme of Arrangement for Demerger under Sections 391 and 394 of the Companies Act, 1956 / Section 230 to 232 of the Companies Act, 2013 vide the Order of Hon’ble National Company Law Tribunal, Mumbai Bench dated March 15, 2018. The Corporate Identity Number of our Company is L72900MH2009PLC191412.

Business Overview

Ducon operates in five business Segments:

1. Clean Energy – Flue Gas Desulfurization
2. Engineering Procurement and Construction – Dry Bulk Handling Equipment
3. Rural and Urban Electrification
4. Video Security Surveillance solutions through Artificial Intelligence and
5. Aerospace Engineering

On 7 December 2015, the government published new environmental norms for coal-based power plants. The regulations aimed to drastically cut down emissions of particulate matter (PM), sulphur dioxide (SO₂) and oxides of nitrogen (NO_x) and bring them closer to international standards. With the new tighter air emissions regulations, the current installed capacity of 230 GW of coal thermal power plants in India have started to install the required Flue Gas Desulphurization (FGD) systems to meet the new clean air standards requiring an investment of thousands of crores in FGD plant installations. As of date, the FGD orders for only 50 GW have been placed and the remaining 180 GW power plants intend to place their orders in the coming years.

We are a FGD supplier in the Indian market and have a successfully operating limestone FGD system for more than 5 years in India. Among the Company’s many successfully operating FGD installations in India, the notable ones include: (i) 500 MW seawater FGD systems at Dahanu power plant and (ii) 2x550 MW Limestone FGD system at Udupi Power Plant.

We are a rapidly growing Fossil Fuel/Coal Clean Technology Company at the forefront of bringing Fossil Fuel Clean Technology/Green Fossil Fuel Technology to India’s transformation to Green Energy. Ducon has diversified technologies and operates in a variety of business segments, to provide solutions and meet challenges in the infrastructure, FGD systems and material handling sectors. In the infrastructure sector, Ducon provides complete FGD systems in thermal power plants, and provides bulk material handling systems for Alumina, fly ash handling systems and electrification projects. We are a medium size EPC company in the field of Air Pollution Control, Flue Gas Desulphurization (FGD) Systems in India, Wet Scrubbers, Bag Filters, Cyclones. Material Handling Systems (Belt Conveyor Systems, Pipe Conveyor System, Pneumatic Conveying System, Air Slides, Silo Systems), and Rural Electrification.

1. Flue Gas Desulfurization

Globally, Ducon has supplied wet FGD systems on over 20,000 MW of combined power plant capacity. Ducon FGD systems can achieve over 99% sulphur dioxide removal efficiency. Ducon Flue Gas Desulfurization systems can also recover up to 90% of oxidized mercury in the flue gas. Ducon caters to the industry with its multiple FGD technologies like Wet Lime, Sea Water, Dry, etc.

Depending upon the reagent utilized, Ducon can select a packed tower, a spray tower or a Ventri-Rod Absorber (VRA™) (a proprietary Enviroengineering unit) for the wet FGD application. For Dry Flue Gas Desulfurization systems, Ducon uses its proprietary two- fluid nozzle DRX-25 to atomize feed slurry in the spray reactor. Ducon can also provide a Circulating Reactor Dry FGD System suitable for applications of upto 3% sulphur coal and by utilizing dry lime, it can provide upto 97% SO₂ removal efficiency. Ducon provides either bag house filter or Electrostatic Precipitator for duct collection downstream. Ducon works with reputable vendors to provide Gas-to-Gas heat exchangers, fans, controls, and reagent handling & feeding systems.

DUCON, being pioneers of FGD in India, is better placed than anybody else to grab the opportunities in the current scenario. Considering the massive influx of FGD tenders, DUCON has decided to capitalize on the maximum FGD project opportunities by either sole bidding on smaller & medium sized projects or joint bidding with another reputable EPC company on large FGD projects. With this strategy, DUCON has been bidding on extensive number of FGD projects both small and medium size projects independently and large projects via joint bidding. Ducon has the capability to provide a complete global turnkey installation including effluent treatment systems.

Milestone Projects



(India's first Sea water FGD system with 100% of flue gas, for 2 X 250 MW Dahanu Termal Power Station at Dahanu, Maharashtra, India installed by Ducon)

FGD System is the core business of DUCON. Ducon has complete range of Air Pollution Control Systems to remove particulate matter and gaseous pollutants. This is an Air Pollution Control system which helps Thermal Power Plants and the captive Power plants of other industries to remove sulphur dioxide in Coal **and Oil fired**

Boilers. Under this system, the Flue Gas after burning of Coal or Oil is taken through the FGD system for Pollution control before releasing it to the air through the Chimneys.

DUCON has pioneered the FGD system in India and is still regarded as the leader. Following are the milestones achieved by DTIPL in India.

- ❖ *DUCON has installed India's first Sea water FGD system with 100% of flue gas, for 2 X 250 MW Dahanu Thermal Power Station for Reliance Energy Ltd, Dahanu, Maharashtra, India. This unit consistently ranks among the cleanest as well as the most reliable power generating station in India. This project also disproved the notion that energy production and environmental protection are mutually exclusive.*
- ❖ *DUCON is also credited with providing India's first Wet limestone FGD system on coal fired power plant with production of saleable Gypsum for 2 x 600 MW Udupi Thermal Power Station, Karnataka, India. Today this unit has become benchmark installation for those desirous of installing FGD systems in India.*
- ❖ *India's first ever Dual Alkali Scrubber is provided by DUCON*



- **India's first FGD in Battery Breaking unit at Haldia, West Bengal.**

Process

Flue-gas desulfurization (FGD) is a set of technologies used to remove sulphur dioxide (SO₂) from exhaust flue gases of fossil-fuel power plants, and from the emissions of other sulphur oxide emitting processes. This process is carried out during combustion in fossil fuel power plants such as coal and oil red combustion units. When coal or oil is burned to produce energy, about 95 percent or more of the sulphur is generally converted to sulphur dioxide (SO₂) under standard temperature conditions.

FGD can be characterized into wet & spray dry scrubbing, wet sulfuric acid process, SNOX flue gas desulfurization and dry sorbent injection system based on methods of desulfurization. Most FGD systems employ two stages: one for fly ash removal and the other for SO₂ removal. In wet scrubbing systems, the flue gas normally passes first through a fly ash removal device, either an electrostatic precipitator or a baghouse, and then into the SO₂-absorber. However, in dry injection or spray drying operations, the SO₂ is first reacted with the lime, and then the flue gas passes through a particulate control device. Another important design consideration associated with wet FGD systems is that the flue gas exiting the absorber is saturated with water and still contains some SO₂. These gases are highly corrosive to any downstream equipment such as fans, ducts, and stacks.

Two methods that may minimize corrosion are: (1) reheating the gases to above their dew point, or (2) using materials of construction and designs that allow equipment to withstand the corrosive conditions. Both alternatives are expensive. Engineers determine which method to use on a site-by-site basis. Wet FGD systems are widely used in comparison to dry FGD and are expected to maintain dominance over the forecast period owing to high efficiency and low maintenance.

2. Dry Bulk Handling System

The correct storage, extraction and the selection of suitable transportation systems is becoming increasingly important for power plant owners. This is particularly of great significance wherever a high service life, few to no interruptions, high through puts and the lowest possible power consumptions are in demand.



(India's Largest Material Handling system in an Aluminium Smelter at Sambhalpur, Orissa, India, installed by Ducon)

Bulk Material Handling System is the second big business segment of DUCON. The system involves automatic handling, transportation, loading and unloading of dry materials like Fly Ash, Alumina, Coal, Limestone etc. This caters to the requirements of the industries in Power sector, Alumina, Iron Ore, Petroleum, Cement and other similar sectors.

DUCON has broad knowledge base and system reference for various kinds of Bulk Material Handling Systems like;

- Alumina Handling Systems
- Coal Handling Systems
- Limestone Handling Systems
- Tanker and Rail Wagon Loading and Unloading Systems
- Sile Loading and Unloading Systems
- Bins and Silo Aeration Systems
- Pneumatic Conveying Systems

DUCON has executed several projects of Bulk Material Handling Systems throughout India.

The efficient storage, extraction, and selection of suitable transportation system is paramount to industries. This is particularly of great significance wherever a high service life, few to no disruptions, high through put of bulk materials is paramount in industries spanning agriculture, mining, construction, and manufacturing. It's the linchpin of maintaining product quality, optimizing processes, and curbing operational costs. From groundbreaking materials and intelligent monitoring systems to sustainable solutions and space-efficient designs, these advancements are revolutionizing how we store and manage bulk materials.

Ducon with its technology specializes in the Design, supply, installation of complete turnkey facilities for Bulk Material Handling and Pneumatic Conveying Systems. Ducon supplies systems to unload, store, reclaim, weigh and sometimes process materials of all kinds of Power, Cement, Steel, Alumina, Chemical and Petrochemical industries. Where there is a product to move, Ducon has the product to move it. The various types of bulk handling systems are :

- Pneumatic Conveying Systems (Lean and Dense Phase)
- Mechanical conveying systems
- Discharge systems for Silos and Hoppers
- Process of Bulk materials (Crushing and Grinding)
- Big bag filling and discharge systems
- Transshipment systems (Rail Wagon and Tanker Loading and Unloading system)

Types of Bulk Handling Systems

Ash handling systems for Power Generation Industry: The industry's main applications are the removal of ash from boiler and filter systems. Course ash / Fly ash collected at Economizer / Air Pre Heater / Duct Hoppers / ESP hoppers is pneumatically conveyed to intermediate silos and to remote silos. Ducon has the capability and technology to design the most efficient dense phase conveying system with capacity as high as 300 TPH and conveying distance in excess of 1500m.

DU-PUMP system: Ducon offers pressure pneumatic conveying system for conveying of various powdery material like Cement, Clinker dust, Sand, Coal, Alumina, Bentonite, Fly ash etc. DU-PUMP systems can operate at higher air to solid ratios and it has many advantages like positive pressure system, low velocity, less erosion of pipes and bends.

DU-SLIDE conveyors: DU-SLIDE Conveyors are used to convey the material from one point to another via air. It is ideal for materials such as Fly Ash, Cement, Hydrated Lime, Alumina, Barites and Flour etc. The aeration of the material causes it to act like a fluid and gently slide along the gradual slope of the slide.

DU-SILO Fluidizer: Ducon provides material extraction systems for at button and conical bottom silos for using reverse fluidized cones and open- top-slide conveyors. The centre cone is fluidized constantly whereas the radial side conveyors on silo bottom are operated sequentially for systematic extraction of material from silo.

As an EPC company, Ducon has executed multiple Dry Bulk Material Handling systems over the last One decade.

Alumna & Material Handling System



3. Rural and Urban Electrification

Ducon is executing Rural Electrification under DDGJY scheme and Urban Electrification under IPDS scheme. This is the new segment which Ducon has diversified into. The projects involve, Construction of new 33 / 11KVA sub-stations, Augmentation of 33/11KVA sub-stations, New 33 KV lines, New 11 KV lines, Metering, etc. We plan to expand the volume of this segment in future.

Electrification Projects



4. Video Surveillance Security

We are also expanding our activities in the area of providing video security surveillance solutions through Artificial Intelligence in commercial facilities, city roads and highways and industrial complexes. We are starting to selectively bid on projects requiring complete camera system with artificial intelligence and monitoring systems, working with a partner from USA. We are also entering the emerging markets of green hydrogen production and transportation, and Aerospace Engineering through forming strategic alliance with technology partners. We are exploring setting up manufacturing unit to produce components required in green hydrogen and hydrogen mobility. We have also recently tied up with a German company to produce components in India required in rocket propulsion systems. All these activities are still in infancy stages and will take time to show progress in the coming years.

Ducon has started its latest business segment of Integrated Security Solutions involving VICON brand CCTV's, VMS etc. DUCON provides end to end security solutions of Vicon, one of the leading Security Solution companies in USA and a DUCON group company. With multiple installations globally, VICON is treated as a top-end brand in Security solutions. In India, Vicon CCTV cameras are installed in many Government departments, PSUs and Large Corporates. Apart from having multiple CCTV models based on the customer needs, Vicon has some the latest technologies in CCTV including AI based cameras. Ducon can fulfil the entire Security solutions requirement of the industries through Vicon's NDAA compliant cameras.

5. Aerospace Engineering

Ducon has extended into Aerospace Engineering segment. Recently it has signed MOU with Germany's deltaVision GMDH to join forces to provide innovative fluid control solutions pertaining to rocket fuel propulsion systems and Hydrogen fuel delivery systems.

Our financial performance during the last year is as under:

(Amount in ₹ Lakhs) (Consolidated)

Particulars	Nine months Period ended December 31, 2023	Fiscal 2023	Fiscal 2022
	<i>Unaudited; Reviewed</i>	<i>Audited</i>	
Total Income from operations	31,239.84	39,613.58.	38,476.02
EBITDA	1,449.97	1,617.90	1,644.47
Profit after Tax	450.94	409.85	443.27
Equity Share Capital	2,599.40	2,599.40	2,056.75
Net worth	-	12,237.24	15,010.68
Total Borrowings	-	9490.70	8,245.02

Our Competitive Strengths

Capability to address the Diverse Needs of our Customers

The inherent strength of our Company is derived its absolute belief in sound, sustainable business practices and an ability to continuously address the diverse needs of its customers. The strategic objective of the company is to build a sustainable organization that remains relevant to the agenda of the clients, while generating pro table growth for the investors. In order to do this, the company will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do.

Expertise and dedicated group of talented engineers

The Company provides complete solutions in its EPC segments. Our Strength is the core technology FGD, for which we are known and of course the EPC segment of Bulk Material Handling. With many successful installations in place, we have the requisite expertise, dedicated group of talented Engineers and other professionals who drive its business and relationships with its business partners and manage its support functions. Having catered to the needs of the large corporates in India, we have been receiving repeat orders over the years and expects it only to move upwards. The Company expands existing client relationships by providing them with a broad set of end-to-end service offerings and increases the size, nature and number of projects they do with them. The strategy is to engage with these clients on a regular basis.

Emphasis on Quality

Further, using the Lean strategies, we have been able to identify the areas of improvements, re-design the work flows, and eliminate the unnecessary elements. The impact is seen in the operational efficiency and reflected in the financials of the company. We believe our strong brand, robust quality process and our access to skilled talent base at lower costs of providing services to places us in a unique position to take advantage of the opportunities available. We continue to strive towards operational and delivery excellences with a

renewed focus on the path of business excellence. Customer Satisfaction and excellence in quality are key elements for succeeding in this competitive market. Our Company has a full- edged QA / QC department headed by an Engineering professional with the rank of Assistant General Manager. Pre-defined SOPs are followed in every stage of execution of projects. In order to be able to respond quickly to the customers, We also continue with various internal initiatives to implement result-oriented quality management models, compete effectively, improve organizational flexibility and efficiency, streamline internal processes across all its entities globally and institutionalize a culture of continuous improvement. A strong emphasis is based on quality in every aspect of the company's activities. Several initiatives have been taken to implement result oriented quality management models. In line with this philosophy we have designed our quality management program and have defined several key parameters for measurement of quality levels to ensure improvement in the quality of the deliverables.

Review of Internal systems to compete effectively on a continuous basis

In order to be able to respond quickly to the customers, we continue with various internal initiatives to compete effectively, improve organizational flexibility and efficiency, streamline internal processes and institutionalize a culture of continuous improvement. The system comprises well defined organization structure, pre-identified authority levels and documented policy guidelines and manuals for delegation of authority. Review of key business processes like business planning, reporting and communication has been done to make them more effective in meeting business objectives. Moving forward, your company shall continue to further strengthen its processes by adopting best-in-class standards.

Subsidiaries

We have a Wholly-owned Unlisted Material Subsidiary in the United States of America named "Ducon Combustion Equipment Inc.". This Company has been incorporated on December 04, 2017 at New York, USA with the objects to sell diversified combustion and power products. As on March 31, 2023 the Paid-up Capital of Ducon Combustion Equipment Inc is ₹ 81,720, the reserves and surplus is ₹ 4,03,72,553.01. The turnover was ₹ 83,70,83,254 for the year ended March 31, 2023. (The exchange rate is considered at ₹81.72 for one \$USD)

Our Business Strategies

1. Strengthening our foothold in the existing markets

We sell our products domestically. In fiscal 2023, the industry is estimated to see a huge jump in value as well as volume. Further, we believe that we share a good client relationship with our customers and we receive majority of our business from long-term customers. The long-standing relationships that we have enjoyed with our customers over the years and the repeat and increased orders received from them are an indicator of our position as a preferred source for them. We intend to focus on increasing our share with existing customers and establish relationships with new international and domestic customers.

2. Bidding extensively for FGD Projects either as a sole bidder or as a joint bidder

DUCON has decided to capitalize on the maximum FGD project opportunities by either sole bidding on smaller & medium sized projects or joint bidding with another reputable EPC company on large FGD projects. With this strategy, DUCON has been bidding on extensive number of FGD projects both small and medium size projects independently and large projects via joint bidding.

3. Deployment of additional capital

We believe that our manufacturing facility and capacity, long standing customer relationship and customer centric approach have enabled us to scale up our operations while maintaining the quality of our products. In order to strengthen our foothold in our existing markets and expanding our customer base, we intend to deploy additional working capital funds which, we believe, will enable us to deliver our products at a competitive rate and increase our margins.

4. Rigorous Cost restructuring exercise

We have adopted a rigorous cost restructuring exercises and adopted efficiency improvements which have resulted in significant savings, thereby enabling the Company to maintain pro table growth in the current economic scenario. We proposed to continue with the approach in future also.

Raw Materials

The Company is an Industrial EPC company and has its established procedure and strategies in place for the procurement activities. The company has segregated total procurement into 3 groups

- i) Equipments
- ii) Fabricated Materials
- iii) Tools & Tackles

In the case of equipment, the company majorly procures directly from the manufacturers to achieve price & delivery advantages. The company is associated with these manufacturers since many years and hence enjoys better payment terms.

In case of fabricated materials, the company has developed certain fabricators at various steel hubs like Rourkela, Bokaro, Haldia, etc. This arrangement reduces the working capital requirement of the company, since it has open credit arrangements with these vendors.

The company believes in providing only basic tools & tackles and gives lump sum job to the contractors to have required tools and tackles. Thus company saves on procurement, transportation, inventory carrying cost of tools & tackles.

PLANT AND MACHINERY

Our Assets mainly comprise of Computers, Vehicles and electrical equipment.

OUR MAJOR CUSTOMERS

Our Company is primarily engaged in EPC Business of Flue Gas Desulpharisation and bulk handling. The percentage of income derived from our top customers for March 31, 2023 and as at the end of December 31, 2023 is given below:

Sr.No	Particulars	Financial Year 2022-23		December 31, 2023	
		In Rupees (Lacs)	Percentage	In Rupees (Lacs)	Percentage
1	Income from top 5 customers	39559.42	100%	14398.69	100%
2	Income from top 10 Customers	39559.42	100%	14398.69	100%

UTILITIES

Power and Fuel

The company meets its current requirement from the installed load of power supply of 30 KVA from the electricity supplying company there will be further requirement of power supply.

Water

The Company has enough water to meet the drinking requirement at its registered office.

Waste Management

Since there are no waste discharges, this is not applicable to us.

Sales and Marketing

The Company is an established player in its business segment over the last many years. The company has been able to get multiple projects from the customers because of its track record of successful execution. Ensuring customer satisfaction is one of the major strategies of the company which results into flow of many projects to the company. The company also has established business consultants who secure order for the company. The company ensures its visibility in the markets through participation in exhibitions, seminars, write ups in magazines and direct contacts

Collaborations

As on the date of this Draft Letter of Offer, we have not entered into any technical or other collaboration arrangements.

Human Resources

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As on December 31, 2023, we had 62 full time employees. The following table sets forth a bifurcation of the number of our employees as of December 31, 2023

Sr. No.	Description	No. of Employees
1	Top Management	05
2	Corporate support staff (Accounts, Secretarial, office staff)	14
3	Marketing staff	03
4	Others	40
	Total	62

Competition

Competition is the main threat to most EPC companies, considering the aggressive pricing by the new entrants, changes in technology and markets. Changes in government policy or regulations / legislation etc also brings challenges and treats to the smooth functioning of the Company. As companies recognize the critical role of technology as an enabler to their business, the number of in-house technology centres of large enterprises as well as the number of new entrants in the market increases. Since the EPC sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year which includes, employee engagement surveys, transparent Performance Management System, ESOP etc to maintain employee-friendly culture in the organization.

Exports and Export Obligation

We do not have any export or export obligation

Corporate Social Responsibility

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are required to constitute a Corporate Social Responsibility Committee as our Company falls within purview of Section 135(1) of the Companies Act, 2013. We are also required to formulate a policy on corporate social responsibility. We have accordingly constituted a CSR Committee and as per our CSR Policy, We continue to contribute towards social welfare projects focusing on providing education, vocational training, promoting health care facilities to economically weaker and underprivileged section of the Society. The CSR Committee comprises of Mr Harish Shetty, Mr Chandrasekhar Ganesan, Mr Prakash Vaghela, Mr Jinesh Shah and Ms Apeksha Agiwal.

The Company has an unspent amount of Rs. 1.90 lacs for the financial year ended on 31st March, 2023 towards CSR as per the provisions of Companies Act, 2013. Due to Covid-19 pandemic, the Company could not achieve the desired profit/result/could not carry out its business activities at the desired level during the Financial 2021-22 and due to which the Company decided not to spend for Corporate Social Responsibility expenditure during the financial year 2022-23 and thereby keep adequate provision for the near future of the Company.

Insurance

We generally maintain insurance covering our assets at such levels that we believe to be appropriate. We have obtained certain policies such as employee policy, marine open inland declaration policy for the transportation of our finished product, standard fire and special perils policy, which insure our stock, plant, building, furniture, fittings, electrical installation, office equipment, stationery, godowns, meeting rooms, building superstructure and any other office contents. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Capacity and Capacity Utilization

Since we are not a manufacturing company, this is not applicable to us.

Intellectual Property

The company has NDA (Non-disclosure Agreements) entered into with vendors/service providers, consultants, employees etc. to ensure security of its intellectual property. It also has designed internal control systems in its day to day operations to secure its designs etc

Leasehold Property

Sr. no.	Details of the Deed/Agreement	Particulars of the property, and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1	Lease Agreement / Deed of Transfer with MIDC dated October 29, 2010	Ducon House , Plot No: A/4, Road No:1, MIDC, Wagle Industrial Estate, Thane (West), Maharashtra – 400 604	Rs.6,90,400 – Differential Premium towards transfer	99 years from 26/09/1973	Registered Office

OUR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles, unless otherwise determined by our Company in general meeting, our Company shall not have more than 15 Directors. As at the date of this Draft Letter of Offer, our Board comprises of 8 Directors, including three (3) executive Directors and one (1) non-executive non-independent Directors and four (4) independent directors (including two women Director).

The following table provides details regarding the Board of Directors of our Company as at the date of filing this Draft Letter of Offer:

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Age (in years)	Other directorships
Mr Arun Govil DIN: 01914619 Date of Birth : 07/09/1955 Designation: Managing Director Address: 1232, Winsdor Harbour Dr, Jacksonville, Florida, USA – 32225. Occupation: Business Term: For 3 years from 30/09/2022 Original Date of Appointment: 30/09/2016 Nationality: Non Resident Indian	68	1. Ducon Technologies (I) Private Limited 2. Ducon Power Systems (I) Private Limited 3. Centrex (India) Private Limited 4. Ducon Power Systems (India) Limited
Mr Harish Shetty DIN: 07144684 Date of Birth : 15/07/1974 Designation: Executive Whole Time Director Address: 1002 Suprabhat Classic CHS Ltd, Bldg No 1, Shell Colony, Bendre Chowk, Sahakar Nagar, Chembur, Mumbai – 400 071, India Occupation: Professional Term: For 3 years from 06/09/2022 Original Date of Appointment: 20/01/2016 Nationality: Indian	49	1. Centrex (India) Private Limited 2. Arun Govil Productions Private Limited: In Process Of Strike Off 3. Cine Vision Distributors Private Limited
Mr Chandrasekhar Ganesan DIN: 07144708 Date of Birth : 10/02/1960 Designation: Executive Whole Time Director Address: B-32, Mulund Darshan CHS, Guru Govind Singh Road, Mulund Colony, Mulund West, Mumbai 400 080, India. Occupation: Professional Term For 3 years from 06/09/2022 Original Date of Appointment: 20/01/2016 Nationality: Indian	54	1. Ducon Technologies (I) Private Limited 2. Centrex (India) Private Limited 3. Cine Vision Distributors Private Limited 4. Ducon Power Systems (I) Private Limited 5. Arun Govil Productions Private Limited: In Process Of Strike Off

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Age (in years)	Other directorships
<p>Mr Jinesh Bharat Shah DIN: 08847375 Date of Birth : 11/08/1984 Designation: Non- Executive Independent Director Address: 1/2, 404, Sai Prabha, S. N. Road, Patil Paradise Complex, Mumbai – 400 080, India. Occupation: Business Term: 5 years from 17/09/2021 Original Date of Appointment: 12/02/2021 Nationality: Indian</p>	39	1. Sanathnagar Enterprises Limited
<p>Mr Maruti Kishanrao Deore DIN: 02780312 Date of Birth : 24/01/1956 Designation: Non-Executive Non-Independent Director Address: 3, Sirohiya Apartments, Ram Baug, Lane No. 4, Opp. Guru Nanak School, Kalyan, Thane, India. Occupation: Business Term: Liable to retire by rotation Original Date of Appointment: 02/11/2021 Nationality: Indian</p>	57	1. Meenaxi Fabrics Private Limited 2. Balkan Chemicals Private Limited 3. Shree Polar Chem Industries Private Limited
<p>Ms Ratna Vikram Jhaveri DIN: 07732263 Date of Birth : 19/11/1987 Designation: Non-Executive Independent Director Address: 46, Indraneel Swastic Society, N.S. Road No.3, Opp Brahmakumari Rajyog Center, JVPD Scheme, Vile Parle (West), Mumbai–400 056, India. Occupation: Professional Term: 5 years from 30/09/2023 Original Date of Appointment: 17/07/2023 Nationality: Indian</p>	36	None
<p>Mr Prakash Lavji Vaghela DIN: 07768595 Date of Birth : 19/09/1973 Designation: Non-Executive Independent Director Address: 103, Mayuri Heights, Natvar Nagar, Road No. 2, Near Surjba School, Jogeshwari East, Mumbai – 400 060, India. Occupation: Business Term: 5 years from 17/09/2021 Original Date of Appointment: 12/02/2021 Nationality: Indian</p>	50	1. SVP Global Textiles Limited 2. Roselabs Finance Limited 3. Diligent Media Corporation Limited 4. Hi-Class Buildcon Private Limited 5. Helios Exports Limited 6. Shrivallabh Pittie Ventures Limited 7. National Standard (India) Limited 8. Citron Infraprojects Limited

Name, address, designation, occupation, term, period of directorship, DIN and date of birth	Age (in years)	Other directorships
Ms Apeksha Agiwal DIN: 10083559 Date of Birth : 13/11/1992 Designation: Non-Executive Independent Director Address: 72, Bohra Ganesh Road, Bahu Bali Colony DhulKot, Girwa, Udaipur, Rajasthan – 313 001 India Occupation: Business Term: 5 years from 30/09/2023 Original Date of Appointment: 17/07/2023 Nationality: Indian	31	1. Aditya Vision Limited 2. Pil Italica Lifestyle Limited

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Draft Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Draft Letter of Offer.

Details of key management personnel and senior management personnel

S. No.	Name of Key Management Personnel / Senior Management Personnel	Designation
Key Management Personnel		
1.	Arun Govil	Managing Director
2.	Harish Shetty	Chief Financial Officer and Executive Whole Time Director
3.	Darshit Parikh	Company Secretary
4.	Chandrasekhar Ganesan	Executive Whole Time Director

Mr Arun Govil, aged 68 years, is the Managing Director and Promoter of our Company. He holds a bachelor's degree in chemical engineering and MBA in Finance from USA. He has been associated with our Company since its takeover and has the duties of Managing Director. He has more than 3 decades of experience of successful business management, and has extensive and diversified experience in our core technologies, business mergers & acquisitions, our products engineering, Finance and overall corporate growth and management.

Mr Harish Shetty, aged 49 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from St. Phelomena College, Puttur, and is a CA (Inter). He has been associated with our Company since February 2015 and is responsible for handling the accounts and finance related matter of our Company. He has more than 2 decades of experience in accounts, Finance and Taxation. He has headed the accounts and Finance functions of companies across manufacturing service and EPC sectors and has a thorough knowledge of handling multistate operations and ensuring statutory compliance.

Mr. Chandrasekhar Ganesan, aged 64 years, is the Whole Time Executive Director of our Company. He holds a bachelor's degree in Science from Madras University. He has been associated with our Company since May 2007 and has been on board as an Executive Director since January 2016 and is responsible for handling the strategic business support functions of our company. He has an experience of nearly 4 decades in sales and marketing.

Mr. Darshit Parikh, aged 38 years, is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in commerce from Mithibhai College, Mumbai & has also completed Bachelors in Law from Mumbai University, He is an associate member of the Institute of Company Secretaries of India. He has been associated with our Company since 2015 and is responsible for handling secretarial matters of our Company.

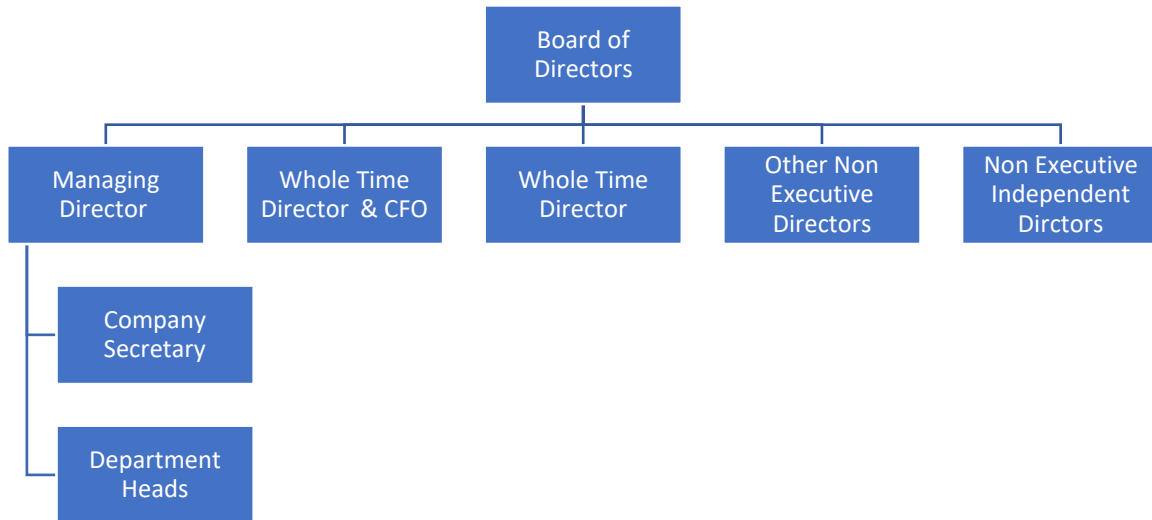
All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

None of the key Managerial Personnel are related to each other or to our Promoters or to any of our directors.

Management Organisation Chart

The Organisation Chart is as given below:



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars	Page numbers
1.	Audited Financial Statements for the year ended March 31, 2023	80
2.	Unaudited limited reviewed interim financial statements as at and for the nine - month period ended December 31, 2023	102
3.	Statement of Accounting Ratios	111
4.	Capitalisation Statement	112
5.	Material Developments after December 31, 2023	127

Audited Consolidated Financial Results for the year ended March 31, 2023

Independent Auditor's Report

To the Members of Ducon Infratechnologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ducon Infratechnologies Limited ("the Company"), its Subsidiary (the Company and its Subsidiary together referred to as "Group") which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated statement of Profit and Loss, Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, consolidated total Comprehensive Income, consolidated Changes in Equity and its consolidated Cash Flows for the year on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

- i) The Company has made investments in equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on March 31, 2023 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, keeping in view their long term business synergy and potential, the management has been decided to value such investments at cost for the year ended March 31, 2023.
- ii) The overseas sales and overseas purchases of the Company transacted during the year, are in the nature of "out and out supply" of goods which are exempted from GST as per the applicable provisions and therefore the same is not disclosed in the monthly GST returns filed by the Company, however the same is disclosed in Annual GST Return (GSTR-9/ 9C) filed by the Company.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- 1) Evaluation of uncertain tax liabilities (Contingent Liabilities). Refer Note No.22.1 forming part of financial statements. Considering its probable impact on profit / loss, we have considered this as Key Audit Matter.

We have performed following substantive audit procedures:-

- (a) Obtained details of completed tax assessments and demands up to the year ended March 31, 2023 from management.
- (b) We performed our internal procedures to analyse the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.
- (c) We also legal precedence, referred to various case laws and other rulings in evaluating management's position on these uncertain tax litigations.

- (d) Additionally, we considered the impact of latest information in respect of uncertain tax positions as on March 31, 2023 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Financial Statements and Auditor's Report Thereon

The Group Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report and Management Discussion and Analysis, but does not include the Secretarial Audit Report, Consolidated financial statements and our auditor's report thereon. The Board's report and Management Discussion and Analysis is expected to be made to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Board's report and Management Discussion and Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and make disclosures and take specific actions as per applicable laws and regulations, if required.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Sec 134(5) of companies Act 2013 with respect to the presentation and of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

Auditors Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements includes the audited financial statements / financial information in respect of 1 subsidiary namely Ducon Combustion Equipment Inc. (Subsidiary) located outside India, whose financial statements include Total Assets of Rs. 921.85 Lakhs as at 31st March, 2023, and total revenue from operations of Rs. 8,370.83 Lakhs for the year ended on that date. These financial statements of the subsidiary company has been audited by the other auditor of that company and which is prepared in accordance with accounting principles generally accepted in their respective country and has been provided to us by the management. The Holding Company's management has converted the financial statements of such subsidiary from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based on the audit report of other auditor and the conversion adjustments made by the management of the Holding Company and audited by us.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, (including other comprehensive income) the consolidated Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure "A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements have disclosed the impact of pending litigations as on March 31, 2023 on its financial position in its Consolidated Ind AS financial statements Refer to Note No. 22.1 forming part of consolidated financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries during the year ended March 31, 2023.

**For Hitesh Shah & Associates
Chartered Accountants
Firm Registration No:- 103716W**

**Hitesh Shah, Partner
Membership No: 040999
Mumbai
May 30, 2023
UDIN : 23040999BGWUUQ5985**

“Annexure A” forming part of Independent Auditor’s Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

We have audited the internal financial controls over financial reporting of **Ducon Infratechnologies Limited** (“the Company”) as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our to the best of our information and according to explanation given to us, to the best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Hitesh Shah & Associates
Chartered Accountants
Firm Registration No:- 103716W**

**Hitesh Shah, Partner
Membership No: 040999
Mumbai
May 30, 2023
UDIN : 23040999BGWUUQ5985**



Ducon Infratechnologies Limited
CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at 31 Mar 2023	As at 31 Mar 2022
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	535.25	640.25
Financial Assets			
Investments	3	511.35	509.42
Loans and Advances	4	841.21	871.21
Deferred Tax Asset	5	2.49	3.98
Total Non Current Assets		1,890.30	2,024.86
Current Assets			
Trade Receivables	6	24,152.28	26,821.25
Cash & Cash Equivalents	7	5.34	4.91
Bank balances other than Cash and Cash equivalents above		1,028.84	722.75
Loans and Advances	8	0.64	1.99
Other Current Assets	9	501.95	461.22
Total Current Assets		25,689.05	28,012.12
TOTAL ASSETS		27,579.36	30,036.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	2,599.40	2,056.75
Other equity		9,637.83	12,953.93
Total Equity		12,237.24	15,010.68
Liabilities			
Non current liabilities			
Financial Liabilities			
Borrowings	11	881.02	-
Trade payables	12	728.12	741.28
Provisions	13	46.53	39.57
Total Non Current Liabilities		1,655.68	780.85
Current Liabilities			
Financial Liabilities			
Borrowings	14	8,609.68	8,245.02
Trade payables	15	4,226.06	5,250.82
Other current liabilities	16	850.72	749.61
Total Current Liabilities		13,686.45	14,245.45
Total Liabilities		15,342.13	15,026.30
TOTAL EQUITY AND LIABILITIES		27,579.36	30,036.98

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date

For and on behalf of
HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Regn No. 103716W

CA Hitesh Shah
 Partner
 Membership No. 040999
 Mumbai,
 Date : May 30, 2023

For and on behalf of Board of Directors of
 Ducon Infratechnologies Limited

Arun Govil
 Managing Director
 DIN: 01914619

Harish Shetty
 Executive Whole Time
 Director & CFO

Chandrasekhar Ganesan
 Executive Whole Time
 Director
 DIN: 07144684

Darshit Parikh
 Company Secretary
 Membership No: ACS 23805
 DIN: 07144708

Ducon Infratechnologies Limited
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023
(' in lakhs)

Particulars	Note No.	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Income from operations			
Revenue from operations	17	39,559.42	38,436.02
Other Income	18	54.16	40.52
Total Income from operations		39,613.58	38,476.54
Expenses			
Cost of materials consumed	19	36,708.13	35,882.26
Employee benefits expenses	20	598.22	381.05
Finance Cost	21	988.69	953.85
Depreciation and amortization expense	2	118.47	113.49
Other expenses	22	635.57	518.24
Total expenses		39,049.08	37,848.89
Profit / (Loss) before tax		564.50	627.65
Tax expenses			
Less:- Current Tax		153.18	184.11
Add/(Less):- Deferred Tax Asset / (Liability)		1.49	(0.27)
Total Tax expenses		154.66	184.38
Profit / (Loss) after tax		409.85	443.27
Other Comprehensive Income net of taxes (OCI)			
i) Items that will not be reclassified to Profit and Loss (net of tax)		(0.64)	0.04
Total comprehensive income after tax		409.21	443.31
Earnings Per Share			
Basic		0.16	0.24
Diluted		0.16	0.19

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date

For and on behalf of
HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 103716W

CA Hitesh Shah
Partner
Membership No. 040999
Mumbai,
Date : May 30, 2023

For and on behalf of Board of Directors of
Ducon Infratechnologies Limited

Arun Govil
Managing Director
DIN: 01914619

Harish Shetty
Executive Whole Time
Director & CFO

Chandrasekhar Ganesan
Executive Whole Time
Director
DIN: 07144684

Darshit Parikh
Company Secretary
Membership No: ACS 23805
DIN: 07144708



Ducon Infratechnologies Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Cash Flow From Operating Activities			
Profit before tax		564.50	627.65
Non-cash adjustment to reconcile profit before tax to net cash flows:			
- Depreciation/amortisation/other expenses/OCI		117.83	113.53
- Profit/Loss on Investment		(1.94)	-
Non-operating adjustment to reconcile profit before tax to net cash flows:			
Interest Expenses		929.17	901.75
Operating profit before working capital changes		1,609.56	1,642.92
Movements in working capital:			
Increase/(decrease) in trade payables		(1,037.92)	510.21
Increase/(decrease) in long term provisions		6.97	(18.88)
Increase/(decrease) in other current liabilities		209.35	(85.60)
Increase/(decrease) in short term borrowings		364.65	1,713.08
Increase/(decrease) in Bank balances other than Cash and Cash equivalents above		(306.09)	(21.71)
Increase/(decrease) in trade receivables		(513.66)	(1,907.85)
Increase/(decrease) in Long term loans and advances		30.00	-
Decrease/(increase) in loans and other current assets		(39.38)	(4.49)
Cash generated from/(used in) operating activities		323.48	1,827.67
Direct taxes paid		(261.42)	(207.95)
Net cash flow from/(used in) operating activities (A)		62.06	1,619.72
Cash flow from investing activities			
Purchase of fixed assets including intangible assets, CWIP and fair valuation of Investments		(13.47)	(719.57)
Net cash flow from/(used in) investing activities (B)		(13.47)	(719.57)
Cash flow from financing activities			
Increase/(decrease) in non-current borrowings		881.02	-
Interest paid		(929.17)	(901.75)
Net cash flow from/(used in) financing activities (C)		(48.15)	(901.75)
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)		0.43	(1.60)
Cash and cash equivalents at the beginning of the year		4.91	6.51
Cash and cash equivalents at the end of the year		5.34	4.91

Refer Significant Accounting policies and notes to the financial statements

As per our report of even date

For and on behalf of
HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 103716W

CA Hitesh Shah
Partner
Membership No. 040999
Mumbai,
Date : May 30, 2023

For and on behalf of Board of Directors of
Ducon Infratechnologies Limited

Arun Govil
Managing Director
DIN: 01914619

Harish Shetty
Executive Whole Time
Director & CFO

Chandrasekhar Ganesan
Executive Whole Time
Director
DIN: 07144684

Darshit Parikh
Company Secretary
Membership No: ACS 23805
DIN: 07144708

Consolidated Notes to Financial Statements for the year ended 31st March 2023**Note 1: Significant Accounting Policies****1. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India and comply with Indian Accounting Standards (Ind AS). The company has prepared these financial statements to comply in all material respects in accordance with the Accounting Standards notified under the Companies Act, 2013 ("the Act") and in accordance with the accounting principles generally accepted in India. These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

2. Summary of significant accounting policies**a. Use of estimates**

The preparation of financial statements in conformity with Ind-AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Gains or losses arising from sale of fixed assets 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 sold.

c. Depreciation on tangible fixed assets

Depreciation on Fixed Assets is being provided on Straight Line Method on "Useful Life" in the manner prescribed under the Schedule II of the Companies Act, 2013.

d. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from currency borrowings to the extent they are regarded as an adjustment to the interest cost.

e. Impairment of tangible and intangible assets

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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investment.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investment is carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Financial Assets:**I. Financial Assets****A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value

through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is 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.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI 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.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment 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:

- 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
- 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 receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

The Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii. Financial liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

There is no significant impact on valuation of Financial Assets at fair value through comprehensive income and hence not profit or loss on such valuation booked.

B. 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.

There is no significant impact on valuation of Financial Assets at fair value through comprehensive income and hence not profit or loss on such valuation booked.

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

i. Sale of goods

Revenue from sale of goods is recognized when all the risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods and performance of services to customers. If company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

j. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k. Dividends

Dividend income is recognized with the company's right to receive dividend is established by the reporting date.

l. Foreign currency translation**Foreign currency transaction and balances****Initial recognition**

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

The company accounts for exchange difference arising on translation/settlement of foreign currency monetary items as below:

Exchange difference arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, Employee State Insurance Contribution and Labour Welfare Fund are defined contribution scheme. The contribution to the above is charged to the statement of profit and loss for the year when the contributions are due.

The company operates defined benefit plan for its employee, viz., gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Contribution towards gratuity fund for eligible employees is made by way of premium to Life Insurance Corporation of India and charged to the statement of profit and loss. Actuarial gains and losses, (if any) for the defined plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short – term employee benefit. The company measures the expected cost of such absences as the additional amount that is except to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave excepted to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

n. Income taxes

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the reporting date. Deferred income tax relating to items recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognized unrecognized deferred asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

p. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

Consolidated Notes to Financial Statements for the year ended 31st March 2023

Note 2: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross Block			Depreciation					Net Block	
	As on 01.04.2022	Additions	Deletions	As on 31.03.2023	Upto 01.04.2022	For the Year	For the assets sold	Upto 31.03.2023	Net Block 31.03.2023	Net Block 31.03.2022
Owned Assets										
Furniture & Fixtures	80.37	-	-	80.37	36.04	5.68	-	41.72	38.65	44.33
Vehicles	5.81	-	-	5.81	5.23	0.08	-	5.31	0.50	0.58
Office Equipment	737.76	1.79	-	739.55	169.91	107.84	-	277.75	461.81	567.86
Computer	770.65	10.03	-	780.68	747.59	4.62	-	752.21	28.46	23.05
Plant and Machinery & Electrical Equipments	32.27	1.65	-	33.92	27.85	0.25	-	28.10	5.83	4.43
Total Current Year	1,626.87	13.47	-	1,640.34	986.62	118.47	-	1,105.09	535.25	640.25

Consolidated Notes to Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Note 3: Investments		
In Equity Shares - Unquoted, fully paid up		
Investment in Private Limited Companies	500.00	500.00
(50,00,000 (Previous year 50,00,000) Equity Shares of Rs. 10 each, fully paid up)	-	-
Investment in Mutual Funds		
12,861.968 (PY 12,861.968) Units of J M Basic Fund- Growth Plan*	11.35	9.42
Total	511.35	509.42
*Note:- The above mutual funds have been pledged as security for repayment of the cash credit facilities availed from the bank		
Note 4: Non-Current Loans and Advances		
(Unsecured and Considered Good)		
Other Loans and Advances	841.21	871.21
Total	841.21	871.21
Note 5: Deferred Tax Asset		
Fixed Assets :		
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting.	2.49	3.98
Net Deferred Tax Asset	2.49	3.98
Note 6: Trade Receivables		
Unsecured		
Considered Good	24,152.28	26,596.25
Total	24,152.28	26,596.25

Trade Receivables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables- considered good	-	18,004.65	-	6,147.63	-	-	24,152.28
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
Total Trade Receivables	-	18,004.65	-	6,147.63	-	-	24,152.28

Consolidated Notes to Financial Statements for the year ended 31st March 2023

Trade Receivables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables- considered good	-	20,170.41	211.95	6,213.89	-	-	26,596.25
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
Total							
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
Total Trade Receivables	-	20,170.41	211.95	6,213.89	-	-	26,596.25

(₹ in lakhs)

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Note 7: Cash and Cash Equivalents		
Cash on hand	5.27	4.69
Balances with banks :		
In current accounts	0.07	0.22
In deposit accounts*	1,028.84	722.75
Total	1,034.18	727.66
Note: The Fixed Deposits have been kept as margin money with banks		
Note 8: Current Loans		
Unsecured and Considered Good		
Other Loans and Advances	0.64	1.99
Total	0.64	1.99
Note 9: Other Current Assets		
Interest accrued on Deposits	23.28	-
Other assets	478.66	461.22
Total	501.95	461.22
Note 10: Equity Share Capital		
Authorised Share Capital		
300,000,000 Equity shares of Re. 1/- each (Previous Year 250,000,000 Equity shares of Re. 1/- each)	3,000.00	2,500.00
Issued, Subscribed and Paid up :		
25,99,40,469 Equity shares of Re. 1/- each (Previous Year 20,56,75,134 Equity shares of Re. 1/- each)	2,599.40	2,056.75
	2,599.40	2,056.75

Consolidated Notes to Financial Statements for the year ended 31st March 2023

The reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	(No. of Shares)	(No. of Shares)
Equity Shares at the beginning of the year	20,56,75,134	17,66,75,117
Additions during the year	5,42,65,335	2,90,00,017
Equity Shares at the end of the year	25,99,40,469	20,56,75,134

The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares Held	% holding	No. of Shares Held	% holding
Mr. Arun Govil	15,65,84,665	60.24%	14,44,42,586	70.23%
Mr. Pratik Banji Dabhi	1,54,90,364	5.96%	2,77,377	0.13%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares Held	% holding	No. of Shares Held	% holding	
Mr. Arun Govil	15,65,84,665	76.13%	14,44,42,586	70.23%	5.90%

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares Held	% holding	No. of Shares Held	% holding	
Mr. Arun Govil	14,44,42,586	70.23%	11,54,42,569	65.34%	4.89%

Note 11: Non-Current Borrowings

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Funded Interest Term Loan from Banks	881.02	-
Total	881.02	-

Note 12: Trade Payables

Dues of micro and small enterprises	-	-
Other trade payables	728.12	741.28
TOTAL	728.12	741.28

Note 13: Provisions

Other Provisions	46.53	39.57
Total	46.53	39.57

Note 14: Current Borrowings

Secured		
Cash credit from bank	5,760.83	5,780.13
Current Portion of Funded Interest Term Loan from banks	261.25	-
Unsecured		
Loan from Directors	2,587.60	2,464.89
Total	8,609.68	8,245.02

Prime Security:

The Cash Credit and Funded Interest Term loans from bank is secured against hypothecation of book debts.

Collateral Security:

Immovable properties in the name of promoters, group companies and Fixed Deposits held in the name of the company and guarantee provided by the promoters.

Consolidated Notes to Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Note 15: Trade Payables		
Dues of micro and small enterprises	229.71	167.29
Other trade payables	3,996.35	4,858.53
Total	4,226.06	5,025.82

Trade payables ageing schedule for the year ended as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	63.37	15.76	-	-	150.57	229.71
(ii) Others	66.36	1,575.13	-	29.60	2,325.26	3,996.36
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total trade payables	129.74	1,590.89	-	29.60	2,475.83	4,226.06

Trade payables ageing schedule for the year ended as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	9.73	-	-	157.57	167.29
(ii) Others	-	1,838.18	56.81	47.13	2,916.42	4,858.53
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total trade payables	-	1,847.90	56.81	47.13	3,073.98	5,025.82

Note 16: Other Current Liabilities

Advance from customers	228.22	22.80
Staff related liabilities	62.48	120.46
Statutory liabilities	17.46	26.75
Other Payables	128.30	57.09
Provision for income tax (Net of Advance Tax)	414.27	522.51
Total	850.72	749.61

Note 17: Revenue from Operations

Sale of products	39,559.42	38,436.02
Total	39,559.42	38,436.02

Note 18: Other Income

Interest income	52.07	36.50
Other Income	2.09	4.02
Total	54.16	40.52

Consolidated Notes to Financial Statements for the year ended 31st March 2023

(₹ in lakhs)

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Note 19: Cost of materials consumed		
Consumption of materials	36,708.13	35,882.26
Total	36,708.13	35,882.26
Note 20: Employee benefits expenses		
Salaries, wages and bonus	570.52	360.66
Contribution to Provident Fund and other Funds	21.53	18.18
Staff welfare Expenses	6.17	2.22
Total	598.22	381.05
Note 21: Finance Cost		
Interest Expenses	929.17	901.75
Other Borrowing costs	59.52	52.10
Total	988.69	953.85

(₹ in lakhs)

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Note 22: Other Expenses		
Power and fuel	17.52	10.98
Rates and taxes	88.02	41.43
Insurance	8.10	5.51
Filing fees	1.90	1.70
Rent expenses	25.11	2.51
Repairs and maintenance	12.69	38.13
Others	6.77	6.17
Office Maintenance Expenses	0.89	45.05
Advertising and sales promotion	128.63	39.82
Membership & subscription Expenses	1.64	20.98
Recruitment charges	3.34	0.28
Local Conveyance	23.34	3.05
Travelling and Marketing Expenses	68.14	49.28
Postage And Telephone Expenses	3.50	2.74
Site office expenses	12.79	15.59
Donation	0.25	0.02
Printing & Stationery Expenses	0.38	1.65
Security Charges	5.04	5.04
Legal and Professional Fees	173.62	129.10
Auditor's Remuneration	33.17	45.00
Miscellaneous Expenses	19.42	52.85
Computer Expenses	1.29	1.37
Total	635.57	518.24

Consolidated Notes to Financial Statements for the year ended 31st March 2023

22. Additional Information to the financial statements

22.1 Contingent Liabilities

a. Claims against company not acknowledged as debts:

(₹ in lakhs)

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount
Income Tax	F.Y. 2013-14	Assessing Officer	0.42
Income Tax	F.Y. 2020-21	Assessing Officer	4.13
VAT	F.Y. 2013-14	JCT Appeals	23.18
Elecon	2011-12,2012-13,2013-14 & 2014-15	Arbitration	109.74
FL Smidth	2010-11	Mumbai High Court	USD 32.65

b. Guarantees given by the company's bankers: Rs. 821.99 lakhs (P.Y.: ₹ 436.14 lakhs)

22.2 Related Party Disclosures:

a. The names of the related parties and the nature of relationship are as under:

Name of related party	Relation
Ducon Technologies (I) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Cemtrex (India) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Cemtrex Technologies Pvt Ltd	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Ducon Power Systems (I) Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Arun Govil Productions Private Limited	Enterprises over which the Key Managerial Personnel and their relatives are able to exercise significant influence.
Arun Govil	Managing Director
Harish Shetty	Director
Chandrasekhar Ganesan	Director
Prakash Vaghela	Director
Ratna Jhaveri	Director
Jinesh Shah	Director
Reema Kiritkumar Shah	Director
Maruti Kishanrao Deore	Director

Consolidated Notes to Financial Statements for the year ended 31st March 2023**b. The material transactions with the related parties are as under:**

(₹ in lakhs)

Name of the Party	Nature of Payment	For the FY 2022-2023	For the FY 2021-2022
Arun Govil	Loan Received (net of repayment)	122.70	2,464.89
Arun Govil	Remuneration	2.40	2.40
Harish Shetty	Remuneration	43.00	25.88
Chandrasekhar Ganesan	Remuneration	24.69	24.64
Ducon Power Systems (India) Pvt Ltd	Advances paid for execution of contract	0.17	0.05
Cemtrex Technologies Pvt Ltd	Advances taken for execution of contract	8.15	13.00
Ratna Jhaveri	Director Siting Fees	0.60	0.60
Prakash L Vaghela	Director Siting Fees	0.60	0.70
Jinesh B Shah	Director Siting Fees	0.60	0.70
Ducon Technologies (I) Private Limited	Advances taken	33.12	7.28

c. The balances with the related parties as on 31st March, 2023 are as under:

(₹ in lakhs)

Name of the Party	As on 31st March, 2023	As on 31st March, 2022
Arun Govil	2,587.60 Cr	2468.89 Cr
Ducon Power Systems (India) Pvt Ltd	3.49 Dr	3.32 Dr
Cemtrex Technologies Pvt Ltd	535.05 Cr	543.85 Cr
Ducon Technologies (I) Private Limited	41.79 Cr	41.01 Cr

22.3 Earnings Per Share (Basic and Diluted):

(₹ in lakhs)

Particulars	As on 31st March, 2023	As on 31st March, 2022
Profit after Tax (Rs. in Lacs)	409.85	443.27
No. of Equity Shares	25,99,40,469	25,56,75,134
Basic Earnings Per Share		
(of paid up value of Re. 1 each)	0.16	0.24
Diluted Earnings Per Share		
(of paid up value of Re. 1 each)	0.16	0.19

22.4 Segmental Reporting

The Company is operating in a single primary segment i.e. EPC business. Accordingly, no segment reporting as per Indian Accounting Standard 108 has been done.

22.5 Foreign Exchange Exposure

The company has not entered in any forward contract for hedging during the year and there are no such contracts outstanding at the end of the year.

22.6 Auditor's Remuneration:

Particulars	For the Financial year ending March 31, 2023	For the Financial year ending March 31, 2022
Statutory Audit Fees	30.17	42.00
Tax Audit Fees	3.00	3.00
Total	33.17	45.00

(excludes applicable taxes thereon)

Consolidated Notes to Financial Statements for the year ended 31st March 2023

22.7 Employee Benefits:

(₹ in lakhs)

	Particulars	2022-23		2021-22	
		Gratuity	Leave Salary	Gratuity	Leave Salary
A	Reconciliation of Opening and Closing balances of Defined Benefit Obligation				
	Present Value of Defined Benefit Obligation as at beginning of the year:	40.83600	7.35075	32.20678	7.19805
	Interest Cost	2.89936	0.52190	2.17396	0.48587
	Current Service Cost				
	Liability Transfer from Ducon Technologies	8.32462	1.56491	6.58923	0.32114
	Benefits paid during the year	(4.28200)	(3.04808)	0	(0.61791)
	Actuarial (gain)/loss on Defined Benefit Obligation	0.65297	2.96190	(0.13397)	(0.03640)
	Present Value of Defined Benefit Obligation as at end of the year:	48.43095	9.35138	40.83600	7.35075
B	Reconciliation of opening and closing balances fair value of plan assets				
	Fair value of Plan Assets as at beginning of the year	1.31023	-	1.31327	-
	Expected Return on Plan Assets for the year	0.11068	-	(0.00304)	-
	Contributions made by Employer	3.36876	-	0	-
	Benefits paid during the year	(4.28200)	-	0	-
	Actuarial gain / (loss) on Plan Assets	0	-	0	-
	Fair value of Plan Assets as at end of the year	0.50767	-	1.31023	-
C	Reconciliation of fair value of assets and obligations				
	Present Value of the Defined Benefit Obligation as at the end of the year	48.43095	9.35138	40.83600	7.35075
	Fair Value of Plan Assets as at the end of the year	(0.50767)	0	(1.31023)	0
	Liability recognized in Balance Sheet as at the end of the year	47.92328	9.35138	39.52577	7.35075
D	Expenses recognized during the year				
	Current Service cost	8.32462	1.56491	6.58923	0.32114
	Interest cost on obligation	2.89936	0.52190	2.17396	0.48587
	Expected return on plan assets	0.11068	0	0.00304	0
	Net Actuarial (gain)/loss recognized in the year end	0.65297	2.96190	(0.13397)	(0.03640)
	Expenses recognized in the statement of Profit & Loss	11.98763	5.04871	8.63226	0.77061
E	Actual Return on plan assets at the year end				
	Expected return on Plan Assets	0.11068	-	(0.00304)	-
F	Investment Details				
	L.I.C Group Gratuity (Cash Accumulation) Policy	100% Invested with L.I.C.		100% Invested with L.I.C.	
G	Actuarial assumptions				
	Rate of Interest	7.5% p.a.	7.5% p.a.	7% p.a.	7% p.a.
	Salary Growth	7.5% p.a.	7.5% p.a.	7.5% p.a.	7.5% p.a.
	Withdrawal Rate	1% p.a.	1% p.a.	1% p.a.	1% p.a.
	Mortality Table(L.I.C.)	Indian Assured Live Mortality Rate(2012-14)	Indian Assured Live Mortality Rate (2012-14)	Indian Assured Live Mortality Rate (2012-14)	Indian Assured Live Mortality Rate (2012-14)
	Retirement Age	60 Years	60 Years	60 Years	60 Years

The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market.

Consolidated Notes to Financial Statements for the year ended 31st March 2023**22.8 Other Notes:**

- a) In the opinion of the Board of Directors, Current Assets, Loans and Advance have the value which these are stated in the Balance Sheet, if realized in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.
- b) The balances of Trade Receivable and Trade Payables are subject to adjustments if any on reconciliation/settlement of respective accounts. However Balances of Trade Receivable and Trade Payables generally stand reconciled based on subsequent realizations and payments.
- c) The Company had allotted 2,36,30,952 Equity Shares via Allotment Committee Resolution passed on 20th April, 2022 to all the Shareholders as on the record date of 19th April, 2022 in the ratio of 1 Equity Share for every 10 Equity Shares.
- d) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

Refer Significant Accounting policies and notes to the financial statements**As per our report of even date**

For and on behalf of
HITESH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 103716W
CA Hitesh Shah
Partner
Membership No. 040999
Mumbai,
Date : May 30, 2023

For and on behalf of Board of Directors of
Ducon Infratechnologies Limited

Arun Govil
Managing Director
DIN: 01914619

Harish Shetty
Executive Whole Time
Director & CFO

Chandrasekhar Ganesan
Executive Whole Time
Director
DIN: 07144684

Darshit Parikh
Company Secretary
Membership No: ACS 23805
DIN: 07144708

Unaudited Results for the quarter and nine month period ended December 31, 2023
(subject to Limited Review)



HITESH SHAH & ASSOCIATES



CHARTERED ACCOUNTANTS

CA. HITESH SHAH
B. COM, F.C.A. DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A

CA. FALGUNI SHAH
B. COM, F.C.A. DBF

Independent Auditors' Review Report

To the Board of Directors of Ducon Infratechnologies Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Ducon Infratechnologies Limited** ("the Company") for the quarter and nine month ended December 31, 2023. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



208, 2NDFLOOR, PLOT NO. 26, SHALIMAR MIRACLE, OPP. CITI CENTRE, ABOVE McDONALDS, JAWAHAR NAGAR,
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EMAIL : ca.hsa1988@gmail.com/ aikapadia1104@gmail.com /
hiteshshahandassocites@gmail.com/aikapadia19@yahoo.com



HITESH SHAH & ASSOCIATES



CHARTERED ACCOUNTANTS

CA. HITESH SHAH
B. COM, F.C.A. DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A

CA. FALGUNI SHAH
B. COM, F.C.A. DBF

Emphasis of Matters

- i) The Company has made investments in the equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on December 31, 2023 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, keeping in view their long-term business synergy and potential, the management has decided to value such investments at cost as on for the quarter and nine months ended December 31, 2023.

Our Conclusion is not modified in respect of this matter.

For Hitesh Shah and Associates

Chartered Accountants

Firm Registration No. 103716W

Hiteshkumar Manharlal Shah
Digitally signed
by Hiteshkumar
Manharlal Shah
Date: 2024.02.06
10:18:46 +05'30'



Hitesh Shah, Partner

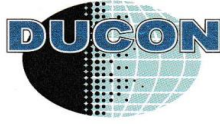
Membership No. 040999

Mumbai

February 06, 2024

UDIN: 24040999BKEABX5127

208, 2NDFLOOR, PLOT NO. 26, SHALIMAR MIRACLE, OPP. CITI CENTRE, ABOVE McDONALDS, JAWAHAR NAGAR,
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hiteshshahandassocites@gmail.com/aikapadia19@yahoo.com



DUCON INFRA TECHNOLOGIES LIMITED

[BSE: 534674, NSE: DUCON]

Ducon House A/4, MIDC, Wagle Industrial Estate, Road No.1, Thane (W) - 400 604. India

Tel.: 022 41122114 (30 lines) • Fax 022 41122115 • URL: www.duconinfra.co.in

CIN: L72900MH2009PLC191412

Ducon Infratechnologies Limited							(Rs.in Lakhs)
Regd. Office : Ducon House, Plot No. 4/A, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400604							
CIN No: L72900MH2009PLC191412							
Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2023							
PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended	
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Net Sales / Income from Operations (Net of GST)	8,901.69	7,846.07	8,862.51	23,300.38	23,010.47	31,188.59	
2 Other operating income	10.00	33.24	9.56	47.63	35.76	54.16	
3 Total income (1 + 2)	8,911.69	7,879.31	8,872.07	23,348.01	23,046.23	31,242.75	
4 Expenses							
Cost of Raw Material Consumed	8,044.78	7,201.33	7,932.00	21,272.58	20,772.32	28,596.22	
Purchase of stock - in - trade	-	-	-	-	-	-	
Employee benefits expenses	164.04	194.21	127.44	505.26	395.11	563.90	
Finance Costs	200.27	293.87	328.04	723.27	859.60	988.69	
Depreciation and amortisation expenses	3.75	1.63	0.78	6.87	3.75	6.25	
Other expenses	80.35	90.17	169.52	253.20	491.18	556.68	
Total Expenses	8,493.18	7,781.20	8,567.79	22,761.17	22,521.96	30,711.73	
5 Profit / (Loss) from operations before Exceptional items (3-4)	418.51	98.11	314.28	586.84	524.27	531.02	
6 Exceptional items	-	-	-	-	-	-	
7 Net Profit / (Loss) from ordinary activities before tax (5-6)	418.51	98.11	314.28	586.84	524.27	531.02	
8 Tax expenses							
Current tax and Deferred Tax	117.39	31.25	88.00	168.17	143.56	143.03	
9 Net Profit / (Loss) from continuing operations (7-8)	301.12	66.87	226.28	418.67	380.71	387.99	
10 Profit/(Loss) from discontinued operations before tax	-	-	-	-	-	-	
11 Tax expenses of discontinued operations	-	-	-	-	-	-	
12 Net profit/(Loss) from discontinued operations after tax (10-11)	-	-	-	-	-	-	
13 Net Profit / (Loss) for the period (9+12)	301.12	66.87	226.28	418.67	380.71	387.99	
14 Other comprehensive income	-	0.02	0.02	-	0.04	(0.64)	
15 Total comprehensive income for the period	301.12	66.89	226.30	418.67	380.75	387.35	
16 Earnings per share for continuing operations (IN RS)							
a) Basic	0.12	0.03	0.09	0.16	0.15	0.15	
b) Diluted	0.12	0.03	0.09	0.16	0.15	0.15	
17 Earnings per share for discontinuing operations (IN RS)							
a) Basic	NA	NA	NA	NA	NA	NA	
b) Diluted	NA	NA	NA	NA	NA	NA	
18 Earnings per share (IN RS) (not annualised)							
a) Basic	0.12	0.03	0.09	0.16	0.15	0.15	
b) Diluted	0.12	0.03	0.09	0.16	0.15	0.15	
19 EQUITY CAPITAL (IN RE. LACS)	2,599.40	2,599.40	2,599.40	2,599.40	2,599.40	2,599.40	

NOTES:

- The Unaudited Financial Results for Q3 of FY: 2023-24 were reviewed by the Audit Committee and Approved by the Board Of Directors at their Respective Meetings Held on February 6, 2024.
- The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2017 with a transition date of 1st April 2016. The financial results have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The format for quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the Companies Act, 2013.
- The company operates in the segment of Industrial EPC and Information Technology. However, all figures for the quarter and nine months ended 31st December 2023 are only pertaining to Industrial EPC. Hence, separate segment reporting is not done.
- The Limited Review of the Financial results for the Quarter and Nine Months Ended 31st December 2023 pursuant to Regulation c (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors.
- The figures for the previous period have been regrouped and re-arranged, wherever necessary, to make them comparable with the current period.

For Ducon Infratechnologies Limited
for and on behalf of the Board of Directors

Arun Govil
Managing Director
DIN: 01914619

Harish Shetty
Executive Director & CFO
DIN: 07144684

Thane, February 6, 2024





HITESH SHAH & ASSOCIATES



CHARTERED ACCOUNTANTS

CA. HITESH SHAH
B. COM, F.C.A. DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A

CA. FALGUNI SHAH
B. COM, F.C.A. DBF

Independent Auditors' Review Report

To the Board of Directors of Ducon Infratechnologies Limited

1. We have reviewed the accompanying statement of Consolidated Unaudited financial results of **Ducon Infratechnologies Limited** ("the Holding") and its subsidiary (together referred to as "the Group") for the quarter and nine month ended December 31, 2023, being submitted by the Holding pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Holding's Management and approved by the Holding's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



208, 2NDFLOOR, PLOT NO. 26, SHALIMAR MIRACLE, OPP. CITI CENTRE, ABOVE McDONALDS, JAWAHAR NAGAR,
S. V. ROAD, GOREGAON (W), MUMBAI - 400062. OFF. TEL : 9152745501, MOBILE : 98211 40636 /98201 97888.
EMAIL : ca.hsa1988@gmail.com/ aikapadia1104@gmail.com /
hiteshshahandassocites@gmail.com/aikapadia19@yahoo.com



HITESH SHAH & ASSOCIATES



CHARTERED ACCOUNTANTS

CA. HITESH SHAH
B. COM, F.C.A. DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A

CA. FALGUNI SHAH
B. COM, F.C.A. DBF

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities :-
- Ducon Infratechnologies Limited (Holding Company)
 - Ducon Combustion Equipment Inc. (Subsidiary Company)

Emphasis of Matters

- i) The Holding Company has made investments in equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on December 31, 2023 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, keeping in view their long-term business synergy and potential, the management has decided to value such investments at cost as on the quarter and nine month ended December 31, 2023.

Our Conclusion on the Statement is not modified in respect of this matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and as per paragraph 6, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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hiteshshahandassocites@gmail.com/aikapadia19@yahoo.com



HITESH SHAH & ASSOCIATES



CHARTERED ACCOUNTANTS

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B. COM, F.C.A. DISA

CA. AMIT I. KAPADIA
B. COM, F.C.A

CA. FALGUNI SHAH
B. COM, F.C.A. DBF

6. The interim financial results include results of one subsidiary, located outside India, whose results reflects total revenue of Rs. 2,316.88 Lakhs, the total net profit after tax of Rs. 9.18 lakhs for the quarter ended December 31, 2023 as considered in the consolidated unaudited financial results. These interim financial results of the subsidiary have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the procedures performed by us as stated in paragraph 3 above.

Further, the interim financial results of such subsidiary located outside India have been prepared in accordance with International Financial Reporting Standards. The Holding Company's management has converted the financial results of such subsidiary from International Financial Reporting Standards to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based on the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our opinion is not modified in respect of these matters.

For Hitesh Shah and Associates
Chartered Accountants

Firm Registration No. 103716W

Hiteshkumar Manharlal Shah
Digitally signed by Hiteshkumar Manharlal Shah
Date: 2024.02.06 10:18:13
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Hitesh Shah, Partner

Membership No. 040999

Mumbai

February 06, 2024

UDIN: 24040999BKEABY5936



208, 2NDFLOOR, PLOT NO. 26, SHALIMAR MIRACLE, OPP. CITI CENTRE, ABOVE McDONALDS, JAWAHAR NAGAR,
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hiteshshahandassocites@gmail.com/aikapadia19@yahoo.com



DUCON INFRA TECHNOLOGIES LIMITED

[BSE: 534674, NSE: DUCON]

Ducon House A/4, MIDC, Wagle Industrial Estate, Road No.1, Thane (W) - 400 604. India

Tel.: 022 41122114 (30 lines) • Fax 022 41122115 • URL: www.duconinfra.co.in

CIN: L72900MH2009PLC191412

Ducon Infratechnologies Limited							
Regd. Office : Ducon House, Plot No. 4/A, Road No. 1, MIDC, Wagle Industrial Estate, Thane - 400604							
CIN No: L72900MH2009PLC191412							
Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2023						(Rs.in Lakhs)	
PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended	
	31.12.2023 Unaudited	30.09.2023 Unaudited	31.12.2022 Unaudited	31.12.2023 Unaudited	31.12.2022 Unaudited	31.03.2023 Audited	
1	Net Sales / Income from Operations (Net of GST)	11,218.57	10,867.64	11,144.04	31,192.21	29,217.55	39,559.42
2	Other operating income	10.00	33.24	9.56	47.63	35.76	54.16
3	Total income (1 + 2)	11,228.57	10,900.88	11,153.60	31,239.84	29,253.30	39,613.58
4	Expenses						
	Cost of Raw Material Consumed	10,303.15	10,132.25	10,167.90	28,939.16	26,855.27	36,708.13
	Purchase of stock - in - trade	-	-	-	-	-	-
	Employee benefits expenses	164.04	270.90	127.44	581.21	395.11	598.22
	Finance Costs	200.27	293.87	328.04	723.27	859.60	988.69
	Depreciation and amortisation expenses	32.24	57.74	0.78	91.47	59.79	118.47
	Other expenses	95.93	28.89	206.02	269.50	534.45	635.57
	Total Expenses	10,795.62	10,783.64	10,830.18	30,604.61	28,704.22	39,049.08
5	Profit / (Loss) from operations before Exceptional items (3-4)	432.95	117.24	323.42	635.23	549.08	564.50
6	Exceptional items	-	-	-	-	-	-
7	Net Profit / (Loss) from ordinary activities before tax (5-6)	432.95	117.24	323.42	635.23	549.08	564.50
8	Tax expenses						
	Current tax and Deferred Tax	122.14	37.41	91.10	184.29	155.94	154.66
9	Net Profit / (Loss) from continuing operations (7-8)	310.81	79.83	232.32	450.94	393.15	409.85
10	Profit/(Loss) from discontinued operations before tax	-	-	-	-	-	-
11	Tax expenses of discontinued operations	-	-	-	-	-	-
12	Net profit/(Loss) from discontinued operations after tax (10-11)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (9+12)	310.81	79.83	232.32	450.94	393.15	409.85
14	Other comprehensive income	-	-	-	-	0.02	(0.64)
15	Total comprehensive income for the period	310.81	79.83	232.32	450.94	393.17	409.21
16	Earnings per share for continuing operations (IN RS)						
	a) Basic	0.12	0.03	0.09	0.17	0.15	0.16
	b) Diluted	0.12	0.03	0.09	0.17	0.15	0.16
17	Earnings per share for discontinuing operations (IN RS)						
	a) Basic	NA	NA	NA	NA	NA	NA
	b) Diluted	NA	NA	NA	NA	NA	NA
18	Earnings per share (IN RS) (not annualised)						
	a) Basic	0.12	0.03	0.09	0.17	0.15	0.16
	b) Diluted	0.12	0.03	0.09	0.17	0.15	0.16
19	EQUITY CAPITAL (IN RE. LACS)	2,599.40	2,599.40	2,599.40	2,599.40	2,599.40	2,599.40



DUCON INFRA TECHNOLOGIES LIMITED

[BSE: 534674, NSE: DUCON]
 Ducon House A/4, MIDC, Wagle Industrial Estate, Road No.1, Thane (W) - 400 604, India
 Tel.: 022 41122114 (30 lines) • Fax 022 41122115 • URL: www.duconinfra.co.in
 CIN: L72900MH2009PLC191412

Consolidated Segment Wise Revenue, Results for the Quarter and Nine months ended December 31, 2023							(Rs.in Lakhs)
PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended	
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Segment Revenue							
a) Industrial EPC	11,189.83	10,851.28	11,153.60	31,109.00	29,253.30	39,613.58	
b) Security Solution & AI	32.13	41.14	-	108.63	-	-	
c) Green Energy Business	4.91	6.28	-	16.42	-	-	
d) Aerospace Business	1.70	2.17	-	5.79	-	-	
Total Revenue (A)	11,228.57	10,900.88	11,153.60	31,239.84	29,253.30	39,613.58	
2 Segment Results: Net Profit before tax, Interest and Share Profit from associates							
a) Industrial EPC	630.33	409.24	651.46	1,352.32	1,408.68	1,553.19	
b) Security Solution & AI	2.39	1.55	-	5.13	-	-	
c) Green Energy Business	0.36	0.24	-	0.78	-	-	
d) Aerospace Business	0.13	0.08	-	0.27	-	-	
Net Profit before tax, Interest and Share Profit from associates	633.21	411.11	651.46	1,358.50	1,408.68	1,553.19	
Less: Finance Cost (Interest)	200.27	293.87	328.04	723.27	859.60	988.69	
Add / Less: Share Profit from Associates	-	-	-	-	-	-	
Net Profit before tax	432.95	117.24	323.42	635.23	549.08	564.50	

NOTES:

- The Unaudited Financial Results for Q3 of FY: 2023-24 were reviewed by the Audit Committee and Approved by the Board Of Directors at their Respective Meetings Held on February 6, 2024.
- The Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2017 with a transition date of 1st April 2016. The financial results have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The format for quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated 30th November 2015 has been modified to comply with requirements of SEBI's circular dated 5th July 2016, Ind AS and Schedule III to the Companies Act, 2013.
- The Limited Review of the Financial results for the Quarter and Nine Months ended 31st December 2023 pursuant to Regulation c (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors.
- The figures for the previous period have been regrouped and re-arranged, wherever necessary, to make them comparable with the current period.

Thane, February 6, 2024



Arun Govil
 Arun Govil
 Managing Director
 DIN: 01914619

For Ducon Infratechnologies Limited
 for and on behalf of the Board of Directors

Harish Shetty
 Harish Shetty
 Executive Director & CFO
 DIN: 07144684

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

Accounting Ratios

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements included in “*Financial Statements*” on page 79 of this Draft Letter of Offer:

Particulars	As at and for the year ended March 31, 2023
Basic EPS (₹)	0.16
Diluted EPS (₹)	0.16
Return on Net Worth (%)	3.35
Net Asset Value per Equity Share (₹)	4.71
EBITDA (₹ Lakhs)	1617.50

The formulae used in the computation of the above ratios are as follows:

Basic EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period
Diluted EPS	Profit and loss attributable to Equity shareholders of Company / Weighted average number of Equity shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares
Return on Net Worth	Profit/(loss) after tax for the period as presented in the consolidated statement of profit and loss in the Financial Statements / Net Worth
Net Worth	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
Net Asset Value per Equity Share	Net Worth / Number of Equity Shares subscribed and fully paid outstanding as at the end of March 31, 2023
EBITDA	Profit/(loss) after tax for the period adjusted for income tax expense, finance costs, depreciation and amortisation expense, exceptional items, other income as presented in the Audited Consolidated Financial Statements

Statement of Capitalization

(In ₹ Lakhs)

Particulars		Pre-Issue as at December 31, 2023	As adjusted for the issue (Post Issue) *
Borrowings:			
Current borrowings	A	10,566.63	[●]
Non-current borrowings	B	674.45	[●]
Total borrowings	C=A+B	11,241.08	[●]
Shareholder's fund (Net worth)			[●]
Share Capital	D	2599.40	[●]
Other Equity [^]	E	9,674.23	[●]
Total shareholder's fund (Net worth)	F=D+E	12,273.63	[●]
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/F	0.05	[●]
Total borrowings /shareholders' funds (Net worth) ratio	C/F	0.95	[●]

**To be updated in the Letter of Offer*

^excludes non-controlling interest

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the unaudited Financial Statements of the Company for the nine-month period ended December 31, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is intended to convey our management's perspective of our financial condition and operating performance as at and for the financial years ended March 31, 2023 and March 31, 2022 and as at and for the nine month period ended December 31, 2023 and December 31, 2022 and should be read in conjunction with our Audited Financial Statements and our September Financial Results, including the respective notes thereto, and the related auditors' reports thereon, included in "Financial Statements" on page 79 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this section has been derived from our Audited Financial Statements and our Un-audited December Financial Results.

Our Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. In this Draft Letter of Offer, unless specified otherwise, any reference to the "the Company" or "our Company" or to "us" refers to Ducon Infratechnologies Limited,

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Our Business" on pages 21 and 64 respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Also see "Forward Looking Statements" on page 16 of this Draft Letter of Offer.

BUSINESS OVERVIEW

Ducon operates in the following business Segments:

1. Clean Energy – Flue Gas Desulfurization
2. Engineering Procurement and Construction – Dry Bulk Handling Equipment
3. Rural and Urban Electrification
4. Security Systems and AI, and
5. Aerospace Engineering

We are a rapidly growing Fossil Fuel/Coal Clean Technology Company at the forefront of bringing Fossil Fuel Clean Technology/Green Fossil Fuel Technology to India's transformation to Green Energy. Ducon has diversified technologies and operates in a variety of business segments, to provide solutions and meet challenges in the infrastructure, FGD systems and material handling sectors. In the infrastructure sector, Ducon provides complete FGD systems in thermal power plants, and provides bulk material handling systems for Alumina, fly ash handling systems and electrification projects. We are a medium size EPC company in the field of Air Pollution Control, Flue Gas Desulphurization (FGD) Systems in India, Wet Scrubbers, Bag Filters, Cyclones. Material Handling Systems (Belt Conveyor Systems, Pipe Conveyor System, Pneumatic Conveying System, Air Slides, Silo Systems), and has recently forayed into Rural and Urban Electrification.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 21 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- adverse effect of competition on our market share and profits;
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage cost of compliance with labour laws or other regulatory developments;
 - manage our operating costs;
 - successfully implement our business strategies and expansion plans;

- maintain effective internal controls;
- changes in general, political, social and economic conditions in India and elsewhere;
- change in government policies
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Audited Financial Information” on page 80 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in the Notes to the Accounts in the chapter “Audited Financial Information” on page 80 of this Draft Letter of Offer has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Audit Report issued by our Statutory Auditors for the year ended March 31, 2023 has the following Emphasis of Matter:

i) The Company has made investments in equity shares of a private limited company aggregating to Rs. 500.00 lakhs as on March 31, 2023 reported under Investments in Non-Current Assets. The investments are to be measured at fair value in the statement of financial position as per requirements of Indian Accounting Standard 109. However, keeping in view their long-term business synergy and potential, the management has been decided to value such investments at cost for the year ended March 31, 2023.

ii) The overseas sales and overseas purchases of the Company transacted during the year, are in the nature of “out and out supply” of goods which are exempted from GST as per the applicable provisions and therefore the same is not disclosed in the monthly GST returns led by the Company, however the same is disclosed in Annual GST Return (GSTR-9 / 9C) led by the Company.

RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Consolidated Financial Statements for Financial Year 2023 and Financial Year 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	39559.42	99.86	38436.02	99.89
Other Income	54.16	0.14	40.52	0.11
Total Income from Operations	39613.58	100.00	38476.54	100.00
Expenses				
Cost of Materials Consumed	36708.13	92.67	35,882.26	93.26
Employee Benefit Expenses	598.22	1.51	381.05	0.99
Depreciation and amortization expenses	118.47	0.30	113.49	0.29
Finance cost	988.69	2.50	953.85	2.48
Other Expenses	635.57	1.60	518.24	1.35
Total Expenses	39049.08	98.57	37848.89	98.37

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Profit / (Loss) before exceptional items and Tax	564.50	1.43	627.65	1.63
Exceptional Items	0.00	0.00	0.00	0.00
Profit /(Loss) before tax	564.50	1.43	627.65	1.63
Tax Expense				0.00
Current Tax	153.18	0.39	184.11	0.48
Deferred Tax	1.49	0.00	(0.27)	0.00
Profit / (Loss) After Tax	409.85	1.03	443.27	1.15
Other Comprehensive Income/(Loss)	(0.64)	0.00	0.04	0.00
Total Comprehensive Income /(Loss)for the Year	409.21	1.03	443.31	1.15
Earnings per Share (Basic) (in Rs.)	0.16		0.22	
Earnings per Share (Diluted) (in Rs)	0.16		0.22	

Total income

Revenue from operations

Our revenue from operations comprises of income from sale of products.

Other Income

Other income comprises of interest income and other income.

Expenses

Our expenses consist of cost of materials consumed, employee benefit expense, depreciation on fixed assets, finance costs and other expenses.

Cost of Materials Consumed

Cost of materials consumed includes the purchases of the raw material during the year.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, contribution to provident Fund and other funds and other staff welfare expenses.

Depreciation expenses

Depreciation consists of depreciation on tangible and intangible assets owned by our company.

Finance Costs

Finance costs consists of interest expenses and other borrowing costs.

Other expenses

Other expenses include power and fuel, rates and taxes, insurance, filing fees, rent expense, repairs and maintenance, office maintenance expenses, advertising and sales promotion, membership and subscription expenses, recruitment charges, local conveyance, travelling and marketing expenses, postage and telephone

expenses, site office expenses, donation, printing and stationery expenses, security charges, legal and professional fees, auditors' remuneration, miscellaneous expenditure, computer expenses,

Tax expenses

Tax expense comprises of current tax, deferred tax and prior period adjustments. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Comparison of Historical Results of Operations

Financial Year 2023 compared to Financial Year 2022

Total Revenue

The total revenue for Financial year ended March 31, 2023 increased from ₹ 38,476.54 lakhs during the financial year ended March 31, 2022 to ₹ 39,613.58 lakhs during the financial year ended March 31, 2023, an increase of ₹1137.04 lakhs or 2.96%. This increase was due to an increase in sales.

Revenue from operations

Our revenue from operations increased from ₹ 38,436.02 lakhs during the financial year ended March 31, 2022 to ₹ 39,559.42 lakhs during the financial year ended March 31, 2023, an increase of ₹1123.40 lakhs or 2.92%

Other income

Other income increased from ₹40.52 lakhs to ₹54.16 lakhs, an increase of ₹13.64 lakhs or 33.66%, This increase was mainly due to increase in interest income.

Expenses

Our total expenses increased from ₹37,848.89 lakhs for the financial year ended March 31, 2022 to ₹39,049.08 lakhs for the financial year ended March 31, 2023 which was an increase of ₹1200.19 lakhs or 3.17 % This was due to an increase in cost of materials consumed , employee benefit cost , finance costs and other expenses.

Cost of Materials Consumed

Our cost of materials consumed increased from ₹ 35,882.26 lakhs for the financial year ended March 31, 2022 to ₹ 36, 708.13 lakhs for the year ended March 31, 2023, an increase of ₹ 825.87 lakhs or 2.30 %. This is due to an increase in the consumption of raw materials, resulting from the increase in sales.

Employee benefit expenses

Employee benefits expense for the year ended March 31, 2023 was ₹ 598.22 lakhs compared to ₹ 381.05 lakhs for the year ended March 31, 2022. This was an increase of ₹ 217.17 lakhs or 56.99 % over the previous year. This was due to an increase in salaries and wages and other employee benefit expenses.

Depreciation Expense

Depreciation for the year ended March 31, 2023 was ₹.118.47 lakhs as compared to ₹113.49 lakhs for the year ended March 31, 2022, a marginal increase of ₹ 4.98 lakhs or 4.39% since there was no major addition to machinery.

Finance Expenses

Finance Expenses for the year ended March 31, 2023 was ₹ 988.69 lakhs as compared to ₹ 953.85 lakhs for the year ended March 31, 2022, an increase of ₹ 34.84 lakhs or 3.64%. There was no major increase in loans taken

during the year.

Other expenses

Other expenses for the year ended March 31, 2023 was ₹ 635.57 lakhs as compared to ₹518.24 lakhs for the year ended March 31, 2022, an increase of ₹ 117.33 lakhs or 22.64 % over the previous year. This was due to an increase in rates and taxes, office maintenance charges, rent expenses, local conveyance, marketing expenses and legal expenses.

Profit/(Loss) before Tax

The profit before tax for the year ended March 31, 2023 was ₹ 564.50 lakhs as compared to ₹ 627.65 lakhs for the year ended March 31, 2022, a decrease of ₹ 63.15 lakhs or 10.06 %. This was due to an increase in sales and corresponding increase in expenses as well and impact of the pandemic Covid 19.

Taxation

Total tax expense for the year ended March 31, 2023 was ₹ 154.66 lakhs as compared to ₹ 184.38 Lakhs for the year ended March 31, 2022.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year ended March 31, 2023 of ₹ 409.21 lakhs as compared to ₹ 443.21 lakhs for the financial year ended March 31, 2022.

Comparison of Historical Results of Operations

Nine months period ended December 31, 2023 compared with nine month period ended December 31, 2022
(Consolidated) (Limited Reviewed)

Particulars	Nine Month period ended 31.12.2023		Nine month period ended 31.12.2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Income				
Revenue from operations	31,192.21	99.85	29,217.55	99.88
Other Income	47.63	0.15	35.76	0.12
Total Income from Operations	31,239.84	100.00	29,253.30	100.00
Expenses		0.00		0.00
Cost of Materials Consumed	28,939.16	92.64	26,855.27	91.80
Employee Benefit Expenses	581.21	1.86	395.11	1.35
Finance Costs	723.27	2.32	859.60	2.94
Depreciation and amortization	91.47	0.29	59.79	0.20
Other Expenses	269.50	0.86	534.45	1.83
Total Expenses	30,604.61	97.97	28,704.22	98.12
Profit / (Loss) before exceptional items and Tax	635.23	2.03	549.08	1.88
Exceptional Items	0.00	0.00	0.00	0.00
Profit /(Loss) before tax	635.23	2.03	549.08	1.88
Tax Expense				
Current & Deferred Tax	184.29	2.03	155.94	1.88
Profit / (Loss) After Tax	450.94	0.59	393.15	0.53
Other Comprehensive Income/(Loss)	0.00	1.44	0.02	1.34
Total Comprehensive Income /(Loss)for the Year	450.94	0.00	393.17	0.00

Particulars	Nine Month period ended 31.12.2023		Nine month period ended 31.12.2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
Earnings per Share (Basic) (in Rs.)	0.17		0.15	
Earnings per Share (Diluted) (in Rs)	0.17		0.15	

Total Revenue

Our total revenue for the nine-month period ended December 31, 2023 was 31,239.84 lakhs as compared to ₹ 29,253.30 lakhs for the corresponding nine-month period ended December 31, 2022, an increase of ₹ 1,974.66 lakhs or 6.76%. This was due to the diversification of our company into other areas like Security and AI / rural and urban electrification / aerospace consultancy.

Revenue from Operations

For the reasons stated above, our revenue from operations for the nine-month period ended December 31, 2023 was 31,192.21 lakhs as compared to ₹ 29,217.55lakhs for the corresponding nine-month period ended December 31, 2022, an increase of ₹ 1,974.66 lakhs or 6.76%.

Other Income

Our Other Income for the nine-month period ended December 31, 2023 was ₹ 47.63 lakhs as compared to ₹ 35.76 lakhs for the corresponding nine-month period ended December 31, 2022, an increase of ₹ 11.87 lakhs or 33.19%. This was due an increase in interest income and other income.

Total Expenses

Our total expenses for nine-month period ended December 31, 2023 was ₹ 30,604.61 lakhs as compared to ₹ 28,704.22 lakhs for the corresponding nine-month period ended December 31, 2022, an increase of ₹ 1,900.39 lakhs or 6.62 %. This was due an increase in cost of material consumed and employee benefit expenses.

Cost of Materials Consumed

Our cost of materials consumed increased from ₹ 26,855.27 lakhs for the nine-month period ended December 31, 2022 to ₹ 28,939.16 lakhs for the nine month period ended December 31, 2023, an increase of ₹ 2,083.89 lakhs or 7.76%. This is due to an increase in the consumption of raw materials, resulting from the increase in sales and the addition of new divisions.

Employee benefit Expenses

Our employee benefit expenses increased from ₹ 395.11 lakhs for the nine-month period ended December 31, 2022 to ₹ 581.21 lakhs for the nine month period ended December 31, 2023, an increase of ₹ 186.10 lakhs or 47.10%.. This was because of an increase in salaries and wages.

Depreciation and Amortization

Our depreciation and amortization expenses increased from ₹ 59.79 lakhs for the nine-month period ended December 31, 2022 to ₹ 91.47 lakhs for the nine month period ended December 31, 2023, an increase of ₹ 31.68 lakhs or 52.99 % . This was because of purchase and installation of new equipment due to the increased sales and diversification into new areas of business.

Finance Costs

Our finance costs reduced from ₹ 859.60 lakhs for the nine-month period ended December 31, 2022 to ₹ 723.27 lakhs for the nine month period ended December 31, 2023, a decrease of ₹ 136.33 lakhs or 15.86 % . This was because of repayment of our loans and reduction of liabilities in our books and an efficient cash management.

Other Expenses

Our other expenses increased from ₹ 534.45 lakhs for the nine-month period ended December 31, 2022 to ₹ 269.50 lakhs for the nine month period ended December 31, 2023, a decrease of ₹ 264.95 lakhs or 49.57. This was due to reduction in other expenses and an efficient cash management.

Profit Before tax

Because of the reasons stated above, our profit before tax was ₹ 635.23 Lakhs for the nine-month period ended December 31, 2023 as compared to ₹ 549.08 lakhs for the nine month period ended December 31, 2022, an increase of ₹ 86.15 lakhs or 15.69 %.

Tax Expenses

Our tax expenses for the nine-month period ended December 31, 2022 was ₹ 155.94 lakhs which increased to ₹ 184.29 lakhs for the nine-month period ended December 31, 2023 an increase of ₹ 28.35 lakhs or 18.18%. This was due to increased sales and increased profits during the period.

Profit After Tax

Our profit after tax was ₹ 450.94 lakhs for the nine-month period ended December 31, 2023 as compared to ₹ 393.17 lakhs for the nine month period ended December 31, 2022, an increase of ₹ 57.77 Lakhs or 14.69 %.

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

Particulars	(₹ in Lakhs)		
	September 30, 2023	March 31, 2023	March 31, 2022
Net Cash Flow from/ (used in) Operating Activities (A)	638.37	62.06	1,619.72
Net Cash Flow from / (used) in Investing Activities (B)	(1.92)	(13.47)	(719.47)
Net Cash Flow from / (used) in Financing Activities (C)	(630.02)	(48.15)	(901.75)
Net increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	6.39	0.43	(1.60)
Cash and cash equivalents at the beginning of the year/period	5.35	4.91	6.51
Cash and cash equivalents at year/ period end	11.74	5.34	4.91

Cash generated from Operating Activities

Net cash generated from operating activities for the six month period ended September 30, 2023 was ₹ 638.37 lakhs as compared to the profit/(loss) before tax of ₹ 202.77 for the same period. This difference is primarily on account of increase in long term provisions, decrease in inventories and trade receivables and a corresponding increase in trade payables.

Net cash generated from operating activities for the year ended March 31, 2023 was ₹ 62.06 lakhs as compared to the profit/(loss) before tax of ₹ 564.50 for the same period. This difference is primarily on account of depreciation, finance costs, increase in inventories, increase in current assets and decrease in payables.

Net cash generated in operating activities for the year ended March 31, 2022 was ₹ 1,619.72 lakhs as compared to the profit/(loss) before tax of ₹ 627.65 Lakhs the same period. This difference is primarily on account of depreciation, finance costs, decrease in inventories, increase in trade receivables and a decrease in trade payables.

Net Cash used in Investing Activities

Net cash used in investing activities for the six month period ended September 30, 2023 was ₹ (1.92) lakhs. This was on account of purchase of property, plant and equipment.

Net cash used in investing activities for the year ended March 31, 2023 was ₹ (13.47) lakhs. This was on account of addition of fixed assets and fair valuation of investments

Net cash used in investing activities for the year ended March 31, 2022 was ₹ (719.47) Lakhs. This was on account of addition to fixed assets and fair valuation of investments.

Net Cash flow used in Financing Activities

Net cash flows used in financing activities for six month period ended September 30, 2023 was ₹ (630.02) lakhs. This was on account of increase in short term borrowings and interest paid

Net cash flows from financing activities for the year ended March 31, 2023 was ₹ (48.15) lakhs. This was on account of increase in non-current borrowings and interest paid

Net cash flows used in financing activities for the year ended March 31, 2022 was ₹ (901.75) Lakhs. This was on account of payment of interest.

Contingent Liabilities

Our contingent liabilities as on March 31, 2023 was Nil while it was ₹ 15,00,000 towards bank guarantee issued in favour of Marine Products Export Development Authority for the year ended March 31, 2022.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Credit Risk: Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the company. The Company has adopted the policy of only dealing with credit worthy counter parties as a means of mitigating the risk of financial losses from default. The carrying amount of financial assets recorded in the financial statements represent the Company's maximum exposure to credit risk. Cash and cash equivalents are held with creditworthy financial institutions.

Liquidity Risk: Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt from lenders at an optimised cost

Commodity Risk: Commodity risk is the risk of change in market price of commodities dealt by the company. The Company's exposure to commodity risk mainly comprises of revenue generating and operating activities. Raw material and finished good prices vary depending upon its availability and demand. Company generally processes raw material in a day or two of its purchase. Prices for finished goods are quoted base on raw material prices.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "Note No: 22.2 Related Party Transactions" on page 98 of this Draft Letter of Offer.

Qualitative Disclosure about Market Risk

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “Risk Factors” and chapter titled “Management's Discussion and Analysis of Financial Conditions and Results of Operations” on page 21 and page 113 respectively of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, 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/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “Risk Factors” on page 21 of this Draft Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 21 and 113 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths we will be able to stay competitive. For further details, kindly refer the chapter titled “Our Business” on page 64 of this Draft Letter of Offer.

Total Turnover of Each Major Business Segment

The turnover in each segment is as under:

Name of the Segment	(Rs.in lakhs)	
	Turnover for the nine month ended December 31, 2023	Turnover for the year ended March 31, 2023
Industrial EPC	31,109.00	39,613.58
Security Solution & AI	108.63	Nil
Green Energy Business	16.42	Nil
Aerospace Business	5.79	Nil

New Product or Business Segment

Except as disclosed in “Our Business” on page 64 of this Draft Letter of Offer, we have not announced and do not

expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since December 31, 2023, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are 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.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position. In relation to point (iv) above, our board in its meeting held on 10th January 2024 has considered and adopted a 'Policy on Disclosure of Material Events / Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**").

In terms of the Materiality Policy, any outstanding litigations, involving our Company, whose total monetary impact is equivalent to or exceeds the lower of the following:

- a. 2% of turnover, as per the last audited financial statements of our Company; i.e. ₹791.19 Lakhs
- b. 2% of net worth, as per the last audited financial statements of our Company, except in case the arithmetic value of the net worth is negative; and i.e. ₹244.74 Lakhs
- c. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company i.e. ₹14.91 Lakhs

All the outstanding litigation civil proceedings involving our Company whose monetary impact is equivalent to or in excess of ₹25.00 Lakhs have been disclosed in this section.

A. LITIGATION INVOLVING OUR COMPANY

I. Litigation against our Company:

a. **Litigation Involving Criminal Laws: NIL**

b. **Litigation Involving Civil Laws:**

1. Case No. 218 of 2019 Commercial Arbitration Petition has been filed by FLSmidth USA Inc. (USA) against Ducon Infratechnologies Limited (Formerly Ducon Technologies (I) Pvt. Limited) before the High Court, Mumbai (Original) under Section 47 and 48 of the Arbitration and Conciliation Act, 1996, for a claim amount of ₹2047.98 Lakhs The matter is pending for admission, and the next hearing date has not been updated.
2. Case No. 238 of 2018 Arbitration Application has been filed by Elecon Engineering Co. Limited against Ducon Infratechnologies Limited (Formerly Ducon Technologies (I) Pvt. Limited) before the High Court, Mumbai (Original) under Section 11 of the Arbitration and Conciliation Act, 1996, for a claim amount of ₹93.57 Lakhs. Subsequently, the case was disposed of, and pursuant to the order, Mr. Minoo Sisodia has been designated as the sole arbitrator to address disputes between the involved parties. The status of the case indicates that the Award/Appeal has been contested under Section 34 on September 30 2023. Presently, the matter is pending before the arbitrator.

c. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

d. **Litigation Involving Tax Liabilities:**

e. **Direct Tax Liabilities:**

1. Case No. 09 of 2019 Criminal Complaint has been filed by Income Tax Officer, Mr. Prathap Singh Bhukya against Ducon Technologies (I) Pvt. Limited and its Directors Arun Govil, Harish Shetty, and Ganesan Chandrasekhar before the Addl. Chief Metropolitan Magistrate, 38th Court, Ballard Pier, Mumbai, under Section 200 of the Code of Criminal Procedure, 1973 for offences under Section 276 c (2) r/w Section 278 (B) of the Income Tax Act, 1961, for the recovery of a claim amount of ₹232.26 Lakhs. The status of the case indicates that the Part Payment has been made for A.Y. 2017-18 and the next hearing date is 28th June 2024.

2. Case No. 6 of 2019 Criminal Complaint has been filed by Income Tax Officer, Ms. Kiran G. Lulla against Ducon Infratechnologies Limited and its Director Arun Govil before the Addl. Chief Metropolitan Magistrate 38th Court, Ballard Pier, at Mumbai under Section 200 of the Code of Criminal Procedure, 1973 for offences under Section 276 c (2) r/w Section 278B and 278 E of the Income Tax Act, 1961 claiming an amount of ₹154.42 Lakhs. The status of the case indicates that full payment has been made for A.Y. 2017-2018 and part payment has been made for A.Y. 2018-2019. The next hearing date is 7th August 2024 for Evidence Before Charge.

- ii. **Indirect Tax Liabilities: NIL**
- f. **Other Pending Material Litigations: NIL**

II.Litigation filed by our Company

a. Litigation Involving Criminal Laws:

1. Case No. 367 of 2019 Summary Suit has been filed by Ducon Infratechnologies Limited against Marg Conveyors LLP and Others before the Metropolitan Magistrate, 58th Court, Bandra, Mumbai, under Section 138 r/w Section 141 of the Negotiable Instrument Act, 1881 for a claim amount of ₹ 7.4 Lakhs. The matter is pending for filing an affidavit on the next hearing date is 6th June 2024.
2. Case No. 3633 of 2022 Summary Suit has been filed by Ducon Infratechnologies Limited against Sunit Concranes Pvt. Limited before the 63rd Metropolitan Magistrate Court at Andheri, Mumbai, under Section 138 r/w Section 142 of the Negotiable Instrument Act, 1881 for a claim amount of ₹111.50 Lakhs. The matter is not yet heard, and the next hearing date is 17th July 2024. Sunit Concranes who are the Respondents in the above case, under a Case No. 44 of 2024 has filed a Criminal Revision Application against Ducon Infratechnologies Limited and Anothers before Criminal Court, Dindoshi under section 138 and 142 of The Negotiable Instruments Act, 1881. The case is pending for appearance and the next hearing date is 13th June 2024.

b. Litigation Involving Civil Laws:

1. Case No. 45 of 2023 Commercial Suit has been filed by Ducon Infratechnologies Limited against Sunit Concranes Pvt. Limited before the District Judge Mr. Vedpathak, District and Session Court, Pune, under Section 12 of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2015 for a claim amount of ₹111.44 Lakhs. The matter is pending for Evidence, which is to be filed by Sunit, and the next hearing date is 12th June 2024.
2. Case No. 437 of 2023 COM. O.S. has been filed by Ducon Infratechnologies Limited against Wienerberger India Pvt. Limited before the CCH-88 LXXXVII Additional City Civil and Sessions Judge (Bengaluru Court) under Order VII Rule 1 r/w Section 26 of the Code of Civil Procedure, 1908 for a claim amount of ₹27.61 Lakhs. The matter is pending for orders on I.A. No.6, and the next hearing date is 12th June 2024.
3. Case No. 333 of 2022 Commercial Suit has been filed by Ducon Infratechnologies Limited against Indian Oil Corporation Limited before the District Court, Guwahati, for the recovery of outstanding dues and losses/damages sustained by the Plaintiff, claiming an amount of ₹1565.45 Lakhs. The status of the case indicates that an execution application had been filed on 13th October 2023 for the award passed in favour of Ducon Infratechnologies Limited, and the next hearing date is 5th August 2024.

c. Litigation Involving Actions by Statutory/Regulatory Authorities:

1. Appeal No. 236 of 2021 and Adjudication Case No. 244 of 2019 have been filed by Ducon Infratechnologies Limited against the Ld. District Collector of Stamps before the Chief Control Revenue Authority at Pune District under Section 25(da) of the Maharashtra Stamp Act, 1908 for a claim amount of ₹82.18 Lakhs penalty. Ducon has opted to pay under the amnesty scheme. The matter is pending, and the next hearing date is 28th May 2024.

d. Litigation Involving Tax Liabilities: NIL

- i. **Direct Tax Liabilities: NIL**
- ii. **Indirect Tax Liabilities: NIL**
- e. **Other Pending Material Litigations: NIL**

B. LITIGATION INVOLVING DIRECTORS OF OUR COMPANY

I. Litigation against the Directors of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- d. Litigation Involving Tax Liabilities: NIL
- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL
- e. Other Material Pending Litigation: NIL

II. Litigation by the Directors of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- d. Litigation Involving Tax Liabilities: NIL
- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL
- e. Other Material Pending Litigation: NIL

C. LITIGATION INVOLVING PROMOTER OF OUR COMPANY

I. Litigation against the Promoter of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- d. Litigation Involving Tax Liabilities: NIL
- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL
- e. Other Material Pending Litigation: NIL

II. Litigation by the Promoter of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- d. Litigation Involving Tax Liabilities: NIL
- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL
- e. Other Material Pending Litigation: NIL

D. LITIGATION INVOLVING GROUP COMPANIES OF OUR COMPANY

I. Litigation against Group Companies of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
- d. Litigation Involving Tax Liabilities: NIL
- i. Direct Tax Liabilities: NIL
- ii. Indirect Tax Liabilities: NIL
- e. Other Material Pending Litigation: NIL

II. Litigation by Group Companies of our Company

- a. Litigation Involving Criminal Laws: NIL
- b. Litigation Involving Civil Laws: NIL
- c. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL

d. Litigation Involving Tax Liabilities: NIL

i. Direct Tax Liabilities: NIL

ii. Indirect Tax Liabilities: NIL

e. Other Material Pending Litigation: NIL

E. OUTSTANDING DUES TO SMALL SCALE UNDERTAKING OR ANY OTHER CREDITORS

As of December 31, 2023 our Company has 9 material creditors to whom a total amounting of ₹ 1946.53 lakhs is outstanding. Of this amount, a total of ₹ 822.37 lakhs is outstanding to Small and Medium Enterprises and ₹ 1,124.16 lakhs is outstanding to other material creditors.

MATERIAL DEVELOPMENTS

To our knowledge, there are no circumstances that have arisen since December 31, 2023, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on February 16, 2024, have authorised this Issue pursuant to Section 62(1)(c) of the Companies Act, 2013.

Our Board of Directors / Rights Issue Committee has, at its meeting held on [●], determined the Issue Price as ₹[●] per Rights Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board in their meeting held on February 16, 2024) pursuant to its resolution dated May 17, 2024.

Our Company has received 'in-principle' approval letter from BSE vide letter dated [●] and NSE vide letter dated [●] for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE and NSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 134 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors and persons in control of the Promoter and the Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoter and Directors have been categorized or identified as willful defaulters or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on the BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- (1) Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Letter of Offer with the SEBI.
- (2) The reports, statements and information referred to above are available on the website of BSE and NSE.
- (3) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at least once every year and as and when required, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.duconinfra.co.in.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centre.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra only.

Disclaimer Clause of BSE

As required, a copy of the Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Letter of Offer, has been included in the Letter of Offer prior to the filing with the Stock Exchange.

[●]

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of the draft Letter of Offer is set out below:

[●]

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer / Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Listing

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer / Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

This Draft Letter of Offer is being filed with the BSE and NSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see “*Terms of the Issue*” at Page 134 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Bigshare Services Private Limited

S6-2 6th Floor Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra.

Tel No: ++91 22 6263 8200 : Fax No: +91 22 6263 8299

Email: rightsissue@bigshareonline.com;

Website: www.bigshareonline.com;

Contact Person: Mr Suraj Gupta

SEBI Registration Number: INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit /Refund Orders etc.

Mr Darshit Parikh is the Company Secretary and Compliance Officer of our Company. His contact details are:

“Ducon House”, Plot No: A/4, Road No:1,

MIDC Wagle Industrial estate,

Thane (West), Maharashtra – 400 604, India.

Tel: +91 22 41122114

Fax no: +91 22 41122115

Email: cs@duconinfra.co.in

Consents and Expert Opinion

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Lead Manager, legal advisor to the Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated February 27., 2024 from Hitesh Shah & Associates, Chartered Accountants our Statutory and Peer Reviewed Auditor, for inclusion of their Audit Report dated May 30, 2023 on our Audited Financial Information for the financial year ended March 31, 2023 and to the limited review report dated February 06, 2024 on the unaudited financial statements for the nine -month period ended December 31, 2023; and to include their name in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated March 23, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

SECTION VII

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renounees) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, the terms and conditions as may be incorporated in the FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (**‘Issue Materials’**) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.duconinfra.co.in;
- b) the Registrar to the Issue at www.bigshareonline.com;
- c) the lead manager to the Issue at www.markcorporateadvisors.com ;
- d) the BSE at www.bseindia.com ;and
- e) the National Stock Exchange of India Limited at www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.duconinfra.co.in).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have

provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat

suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see “*Terms of Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 146 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “*Terms of Issue—Grounds for Technical Rejection*” on page 142 of this Draft Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138 of this Draft letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialised form only.
- c. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- h. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e. Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Ducon Infratechnologies Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as at Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹[●] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at rightsissue@bigshareonline.com; and
17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “*Restrictions on Purchases and Resales*” on page 161 of this Draft Letter of Offer and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 161 of this Draft Letter of Offer.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138 of this Draft Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of Issue—Basis of Allotment*” on page 154 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer,

the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 138 of this Draft letter of Offer.
- d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the

relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see “*Terms of Issue—Procedure for Applications by Mutual Funds*” on page 145 of this Draft letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure*” on page 43 of this Draft letter of Offer.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. 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 or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, 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 RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, inter alia, the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the

government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. 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.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2024, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*Terms of Issue—Basis of Allotment*” on page 154 of this Draft letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.bigshareonline.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.duconinfra.co.in).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar www.bigshareonline.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, “[●] RE Suspense Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹[●]per Rights Equity Share (including premium of ₹[●]per Rights Equity Share) shall be payable on Application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] band indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+1 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see “*The Issue*” on page 37 of this Draft Letter of Offer.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable

and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE and NSE through their letters bearing reference number [●] dated [●] and [●] dated [●] respectively. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 534674) and on NSE (Scrip Code: DUCON) under the ISIN: INE741L01018. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and members of our Promoter Group

Our Promoter has confirmed that he may not fully subscribe to his entitlements arising out of the proposed Rights Issue and may renounce a part of his rights entitlement in favour of third parties who may be identified in the due course. Therefore, non- applicability of the minimum subscription criteria provided in Regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is located).

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at (www.bigshareonline.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any

such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to the **Registrar at** rightsissue @bigshareonline.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 155 OF THIS DRAFT LETTER OF OFFER.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* *Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat

suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Rights Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 (Four) days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR

numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

- d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated December 21, 2010 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated December 20, 2010 amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialised form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.1 crore 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 ₹0.1 crore 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 ₹50 Lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. As of the date of this Draft Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Draft Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “**Ducon Infratechnologies Limited– Rights Issue**” on the envelope and postmarked in India) to the Registrar at the following address:

Bigshare Services Private Limited

Office No. S6-2 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra.

Tel No: +91 22 6263 8200 : Fax No: +91 22 6263 8299

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com:

Contact Person: Mr Suraj Gupta

SEBI Registration Number: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com) . Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 6263 8200
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.bigshareonline.com

This Issue will remain open for a minimum 7 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

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. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will not be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs through the FDI Circular 2020 (defined below).

The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as at October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under the FEMA Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that the Letter of Offer will be filed with the Stock Exchange and submitted to the SEBI for information and dissemination.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with the legal requirements applicable in such jurisdiction.

Receipt of the Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone: (i) in the United States or (ii) any jurisdiction in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer and any other Issue Materials should not distribute or send the Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India except in accordance with applicable law.

The Letter of Offer is, and the other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

Australia

The Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Letter of Offer is not a disclosure document under Chapter 6D of the Corporations Act of Australia and it has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. It is not required to, and does not, contain all the information which would be required in a disclosure document.

Any offer in Australia of the Rights Entitlements and Equity Shares under the Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Letter of Offer, and any offers made under the Letter of Offer, you represent to the Issuer that you will not provide the Letter of Offer or communicate any offers made under the Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or the Equity Shares for, any Australian residents unless they are a “sophisticated investor” or a “professional investor” as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Letter of Offer and the Rights Entitlements and the Rights Equity Shares that are offered pursuant to the Letter of Offer have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in the Letter of Offer, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. The Letter of Offer is only intended for Accredited Investors as defined by the CBB. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Equity Shares and the Letter of Offer will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. All marketing and offering of the Rights Equity Shares shall be made outside the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved the Letter of Offer and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of Rights Equity Shares.

British Virgin Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares has been or will be made to the public in the British Virgin Islands.

China

No action has been taken by our Company which would permit an offering of Rights Entitlements or the Rights Equity Shares or the distribution of the Letter of Offer in the People's Republic of China (“**PRC**”). The Letter of Offer may not be circulated or distributed in the PRC and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Equity Shares or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of the Letter of Offer are required to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), an offer to the public of any Rights Entitlement or Rights Equity Shares may not be made in that Relevant State, except if the Rights Entitlement or Rights Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the “**Prospectus**”

Regulation”):

- a) to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement of a prospectus pursuant to Article 23 of the Prospectus Regulation. The Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation.

For the purposes of this subsection, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares.

Hong Kong

The Rights Entitlements and the Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares are, directly or indirectly, being offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “Qualified Institutional Investor”), the Rights Entitlements and Equity Shares will be offered in Japan by a private placement to a small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree is a Qualified Institutional Investor, the Rights Entitlements and the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investor (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. Any Qualified

Institutional Investor purchasing Rights Equity Share agree that it will not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Rights Equity Shares to any Japanese Resident other than to another Qualified Institutional Investor.

Kuwait

The Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Equity Shares in the State of Kuwait. The Rights Entitlements and the Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Rights Entitlements or the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Equity Shares in the State of Kuwait.

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

The Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (“SFA”). The offer of Rights Entitlements and Rights Equity Shares pursuant to the Rights Entitlements to Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

Eligible Equity Shareholders in Singapore may apply for additional Rights Equity Shares over and above their Rights Entitlements only (i) if they are an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) if they are a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than SGP\$ 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights

Equity Shares are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Kingdom

No Rights Entitlement or Rights Equity Shares may be offered in the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement and Rights Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that our Company may make an offer to the public in the United Kingdom of Rights Entitlement and Rights Equity Shares at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Rights Entitlement or Rights Equity Shares shall result in a requirement for the publication by our Company of a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to any Rights Entitlement or Rights Equity Shares in means a communication to persons in any form and by any means presenting sufficient information on the terms of the Issue so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or Rights Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Except for each person who is not a qualified investor as defined in the UK Prospectus Regulation and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a qualified investor as defined in the UK Prospectus Regulation.

In addition, the Letter of Offer may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (each such person being referred to as a “**Relevant Person**”). If you are not a Relevant Person, you should not take any action on the basis of the Letter of Offer and you should not act or rely on it or any of its contents. Except for each person who is not a Relevant Person and who has notified our Company of such fact in writing and has received the consent of our Company in writing to subscribe for or purchase Rights Equity Shares, each person in the United Kingdom who acquires Rights Equity Shares shall be deemed to have represented and warranted that it is a Relevant Person.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Rights Entitlement and the Rights Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) (the “**Markets Rules**”) adopted by the Dubai Financial Services Authority (the “**DFSA**”); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. The Letter of Offer must not be delivered to, or relied on by, any other person. The DFSA has not approved the Letter of Offer nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this subsection have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Rights Equity Shares offered in the Offer should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Letter of Offer, you should consult an authorised financial adviser.

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the 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 Securities Act and any applicable state securities laws. The Rights Entitlements and the Rights Equity Shares are only being offered and sold outside the United States in offshore transactions, as defined in and in compliance with Regulation S. Neither the receipt of the Letter of Offer nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholders who has received the Letter of Offer and its accompanying documents directly from our Company.

Representations, Warranties and Agreements by Purchasers

In addition to the applicable representations, warranties and agreements set forth above, each purchaser, by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted, acknowledged and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the representations, warranties, acknowledgements, undertakings and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
2. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
3. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
4. The purchaser acquiring the Rights Equity Shares for one or more managed accounts, represents and warrants that the purchaser has been authorized in writing, by each such managed account to acquire the Rights Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference herein to ‘the purchaser’ to include such accounts.

5. The purchaser is eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, the purchaser is eligible to invest in and hold the Rights Equity Shares in accordance with the FDI Policy, read along with the press note 3 of 2020 dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.
6. The purchaser is investing in the Rights Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in the Issue, the purchaser is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, each as amended and/or substituted from time to time.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with the Stock Exchange and its submission with the SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements (except in India) or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in the Issue.
9. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to us and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and the Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in the Letter of Offer); and (v) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.
11. Without limiting the generality of the foregoing, the purchaser acknowledges that the Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent financial results, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes the "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our

Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

12. The purchaser acknowledges that any information that it has received or will receive relating to or in connection with the Issue, and the Rights Entitlements or the Rights Equity Shares, including the Letter of Offer and the Exchange Information, has been prepared solely by our Company.
13. The purchaser acknowledges that no written or oral information relating to the Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by our Company.
14. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, undertakings and agreements and other information contained in the Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under applicable securities laws.
15. The purchaser is aware that the Rights Entitlements and the Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to the purchaser was made in accordance with Regulation S.
16. The purchaser was outside the United States at the time the offer of the Rights Entitlements and Rights Equity Shares was made to it and the purchaser was outside the United States when the purchaser's buy order for the Rights Equity Shares was originated.
17. The purchaser did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).
18. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If, in the future, the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares: (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
19. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for, and authorized to consummate the purchase of, the Rights Equity Shares in compliance with all applicable laws and regulations. If the purchaser is outside India:
 - a. the purchaser, and each account for which it is acting, satisfies: (i) all suitability standards for investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe, and is subscribing, for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence; and
 - b. the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
20. Except for the sale of Rights Equity Shares on the Stock Exchange, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

21. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.
22. Each of the aforementioned representations, warranties, acknowledgements and agreements shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Rights Equity Shares. The purchaser shall hold our Company 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 its representations, warranties, acknowledgements and agreements set forth above and elsewhere in the Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
23. The purchaser acknowledges that our Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to our Company, and are irrevocable.

The purchaser agrees that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bhopal, Madhya Pradesh, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Letter of Offer and other Issue Materials.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following 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 or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available for inspection at the corporate office of the Company till the issue closing date on working days and working hours between 11:00 A.M. to 5:00 P.M. and also shall be available on the website of the Company at www.duconinfra.co.in from the date of this Draft Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to the Company.

1. Material Contracts for the Issue

- (i) Memorandum of Understanding (MOU) dated May 15, 2024 amongst our Company and the Lead Manager to Issue.
- (ii) Registrar Agreement dated April 05, 2024 entered into amongst our Company and the Registrar to the Issue.
- (iii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

- (i) Certified true copies of the Certificate of Incorporation, the Memorandum of Association and the Articles of Association of our Company as amended from time to time.
- (ii) Resolution of the Board of Directors dated February 16, 2024 in relation to the approval of this Issue.
- (iii) Resolution passed by our Rights Issue Committee dated [●] finalizing the terms of the Issue including Record Date and the Rights Entitlement ratio.
- (iv) Resolution of the Rights Issue Committed dated May 17, 2024 approving and adopting the Draft Letter of Offer.
- (v) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- (vi) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Lead Manager, Statutory and Peer Review Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (vii) Copies of Annual Reports of our Company for Financial Years 2023, 2022 and 2021.
- (viii) Audit report dated May 30, 2023 of the Statutory Auditor, on our Company's Audited Financial Statements, included in this Draft Letter of Offer.
- (ix) Limited Review Report dated February 06, 2024 of the Statutory Auditor on our Company's unaudited financial statements for the period ended December 31, 2023 included in this Draft Letter of Offer.
- (x) Statement of Tax Benefits dated March 23, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
- (xi) Tripartite Agreement dated December 21, 2010 between our Company, NSDL and the Registrar to the Issue.

- (xii) Tripartite Agreement dated December 20, 2010 between our Company, CDSL and the Registrar to the Issue.
- (xiii) In principle listing approval dated [●] and dated [●] issued by BSE Limited and National Stock Exchange of India Limited respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

Sd/-

Arun Govil
(Managing Director)

Sd/-

Harish Shetty
(Executive Whole Time Director and Chief Financial Officer)

Sd/-

Chandrashankar Ganesan
(Executive Whole -Time Director)

Sd/-

Ratna Jhaveri
(Independent Director)

Sd/-

Jinesh Bharat Shah
(Independent Director)

Sd/-

Maruti Krishnarao Deore
(Non-Executive Non Independent Director)

Sd/-

Prakash Lavji Vaghela
(Independent Director)

Sd/-

Apeksha Agiwal
(Independent Director)

Sd/-

Darshit Prakash Parikh
(Company Secretary & Compliance Officer)

Place: Thane, Maharashtra
Date : May 17, 2024