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ROX HI-TECH LIMITED
CIN: U51506TN2002PLC048598

Our Company was originally incorporated on March 13, 2002 as a Private Limited Company as “ROX Trading and Systems Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Tamil Nadu. Subsequently, the name of our Company changed from ‘ROX Trading and Systems Private Limited’ to ‘ROX Hi-Tech Private Limited’ and a fresh Certificate of Incorporation consequent upon change in name dated April 19, 2023, issued by the Assistant Registrar of Companies, Tamil Nadu, Chennai. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on April 24, 2023 and consequently the name of our Company was changed to ‘ROX Hi-Tech Limited’ and a fresh certificate of incorporation dated May 23, 2023 was issued by the Registrar of Companies, Tamil Nadu, Chennai. The corporate identification number of our Company is U51506TN2002PLC048598. For further Details of Incorporation and Change in Registered Office of our Company, please refer to section titled ‘Our History and Certain Other Corporate Matters’ beginning on page 124 of this Draft Red Herring Prospectus.

Registered Office: Old No.101B, New No.160, 1st & 3rd Floor Mahalingapuram Main Road, Nungambakkam, Chennai 600034 Tamil Nadu, India;

Tel: + 91 44 4206 8316; E-mail: cs@rox.co.in; Website: www.rox.co.in;
Contact Person: Mrs. Thenmozhi, Company Secretary and Compliance Officer;

OUR PROMOTERS: MR. JIM RAKESH AND MRS. SUKANYA RAKESH

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED AUGUST 30, 2023: NOTICE TO THE INVESTORS (“THE ADDENDUM”)

PUBLIC ISSUE OF 60,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF ROX HI-TECH LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY (THE “ISSUE PRICE”) AGGREGATING TO ₹[●] LAKH (“THE ISSUE”) COMPRISING OF A FRESH ISSUE OF 55,14,000 EQUITY SHARES AGGREGATING TO ₹[●] LAKH (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF 5,50,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS (“OFFER FOR SALE”) AGGREGATING TO ₹[●] LAKH OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹[●] LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKH (THE “NET ISSUE”). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled “**Risk Factors**” beginning on page 22 of the Draft Red Herring Prospectus has been updated.
2. The chapter titled “**Object of the Offer**” beginning page 70 of the Draft Red Herring Prospectus has been updated.
3. The Chapter titled “**Our Business**” on Page 94, of the Draft Red Herring Prospectus has been updated.
4. The Chapter titled “**History and Certain Corporate Matters**” on Page 124, of the Draft Red Herring Prospectus has been updated.
5. The Chapter titled “**Government and Other Statutory Approvals**” on Page 169, of the Draft Red Herring Prospectus has been updated.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

Place: Chennai
Date: October 18, 2023

On behalf of ROX HI-TECH LIMITED
Sd/-
Ms. Thenmozhi
Company Secretary and Compliance Officer

LEAD MANAGER TO THE ISSUE

SWARAJ SHARES AND SECURITIES PRIVATE LIMITED

304, A Wing, 215 Atrium Near
Courtyard Marriot, Andheri Kurla Road, Andheri East,
Mumbai – 400093, Maharashtra, India
Tel: +91-22-6964-9999

Email: compliance@swarajshares.com

Website: www.swarajshares.com

SEBI Registration Number: INM00012980

Contact Person: Pankita Patel/ Tanmoy Banerjee
CIN: U51101WB2000PTC092621

REGISTRAR TO THE ISSUE

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Lower Parel (East) Mumbai 400011, Maharashtra, India.
Tel: +91 022 2301 8261;
Fax No: +91 022 2301 2517

E-mail: support@purvashare.com

Website: www.purvashare.com

SEBI Registration: INR000001112

Contact Person: Ms. Deepali Dhuri
CIN: U67120MH1993PTC074079

BID/ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION III – RISK FACTORS

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

2. *Our success is dependent on our long-term relationship with our Customers. In particular, we are heavily reliant on our top 10 Customers. We do not, generally, enter into long term contracts with Customers, which exposes us to risks emanating from the inability to retain our established Customers as our clients.*

We offer end-to-end IT Solution to Customers across various end-user industries (Application Industries) such as information technology, information technology enabled services, entertainment and media, banking, financial services, and insurance (BFSI), national data centres and government entities including in the defence sector, education and research development institutions. Our business relationships are substantially reliant on these Customers.

Further, we are heavily reliant on our top 10 Customers and our revenue from operations from our top 10 Customers as on July 31, 2023, and Fiscal 2023 Fiscal 2022 and Fiscal 2021 is set out below:

Name of the Top Customers	Revenue from Operations*							
	July 31, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue generated (in ₹ Lakhs)	As a % of revenue from operations	Revenue generated (in ₹ Lakhs)	As a % of revenue from operations	Revenue generated (in ₹ Lakhs)	As a % of revenue from operations	Revenue generated (in ₹ Lakhs)	As a % of revenue from operations
Top 5 Customers	623.69	12.50%	5,526.66	41.45%	4,038.44	39.26%	1994.9	31.15%
Top 10 Customers	827.04	16.55%	6,224.31	46.68%	4,517.11	43.91%	2,240.54	34.97%

*% is calculated based on total Revenue.

Our business relationships with our customers have been built over time and while we, generally, do not enter into long term contracts with our customers and significant portion of our revenue is routed through purchase orders, we have garnered repeat orders from our customers. We cannot assure you that we will be able to retain the business of our existing key customers or maintain the current level of business with each of these customers. Further, our dependence on our top 10 customers has increased from 34.97% in Fiscal 2021 to 46.68% in Fiscal 2023, however, during the period ended July 31, 2023, the dependence was decreased to 16.55%. We cannot assure you that we will not rely on our top 10 customers for our revenue from operations.

Consequently, our business, results from operations, and financial condition are heavily dependent on our maintaining our relationship with our Customers, and, in particular, continuing to receive orders from such Customers and failure to do so, or inability to do so on commercially viable terms could have an adverse impact on our revenue and, or, margins, and, consequently, our profitability. There can be no assurance that we will be able to maintain the historic levels of business from these clients and customers or that we will be able to replace these clients in case we lose any of them. For further details of our clients, please refer to section titled 'Our Business' beginning on page **Error! Bookmark not defined.**

Loss of all or a substantial portion of sales to any of our top 10 Customers, for any reason (including, due to failure to negotiate acceptable terms in such orders, adverse change in the financial condition of such Customers for various factors such as possible bankruptcy or liquidation or other financial hardship, merger or decline in their sales, reduced or delayed customer requirements, facility shutdowns, labour strikes, geopolitical reasons and, or, other work stoppages affecting production by such Customers) could have a material adverse impact on our business, results of operations, financial condition and cash flows.

8. *There are outstanding litigations involving our Company, Promoters and Directors which, if determined adversely, may affect our business and financial condition.*

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and Directors are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties, as the case may be. We cannot assure you that these legal proceedings will be decided in favour of our Company, Promoters and Directors or that no further liability will arise out of these proceedings. Any adverse decision may adversely affect our business, results of operations and financial condition.

Further, Ingram Micro India Ltd. has filed a criminal case for bouncing of cheque of ₹359.39 Lakhs, against the Company and its Directors, namely Jim Rakesh and Sukanya Rakesh before the Metropolitan Magistrate, 73rd Court, Vikhroli, Mumbai. The learned Magistrate issued process on December 3, 2021 for the commission of offence punishable under Section 138 of the Negotiable Instruments Act. The Company wanted to challenge said order of issuance of process by way of Revision Application before the Sessions Court, Greater Mumbai. However, there was delay in filing Criminal Revision Application. Therefore, a separate application i.e. Misc. Application No.2326/2022 was preferred before the Court of Sessions, Greater Mumbai, for condonation of delay in filing appeal which was allowed. Thus, the Company has filed a Criminal Writ Petition No.6703 of 2023 in the High Court of Judicature at Bombay Criminal Appellate Jurisdiction. The Hon'ble High Court vide an order dated July 6, 2023, inter alia, ordered that the delay in filing Criminal Revision Application before the Court of Sessions, Greater Mumbai challenging the order dated 3.12.2021 passed by the Metropolitan Magistrate, 73rd Court, Vikhroli Mumbai in Criminal Complaint No. SS/626/2021 is condoned and that Learned Additional Sessions Judge shall proceed to decide Criminal Revision Application on merits in accordance with law, expeditiously. The matter is pending before the Learned Additional Sessions Judge, Greater Mumbai.

A summary of the pending litigations involving our Company is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	1	359.39
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

ii) Cases filed by our Company:

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
Material civil litigations	Nil	Nil

b) Litigations involving our Directors

i) Cases filed against our Directors:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	1*	359.39
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

* Against Jim Rakesh and Sukanya Rakesh relating to cheque bounce issued by the Company.

ii) Cases filed by our 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
Material civil litigations	Nil	Nil

c) Litigations involving our Promoter

i) Cases filed against our Promoter:

Nature of Litigation	Number of matters outstanding	Amount involved (₹ in lakhs)
Criminal matters	1*	359.39
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil

* Against Jim Rakesh and Sukanya Rakesh relating to cheque bounce issued by the Company.

ii) Cases filed by our Promoter:

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
Material civil litigations	Nil	Nil

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 163 of this Draft Red Herring Prospectus.

- 16. *There have been instances of delays of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to the RoC, and the GST Department. Further, there have also been instances where our Company has inadvertently failed to file certain statutory filing with the RoC and Employees Provident Fund (EPF) within due dates.***

In the past, there have been certain instances of delays in filing statutory forms as per the reporting requirements under the Companies Act, 1956 or the Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. The details of such instances of delayed filings have been provided below:

SL NO.	FORM NO & PURPOSE	ACTUAL DATE OF FILING	DUE DATE OF FILING
1	ADT 1 - Appointment of Auditor Sundaresan and Subramanian	25.11.2015	29.10.2014
2	ADT 1 - Appointment of Auditor Sundaresan and Subramanian	25.11.2015	29.10.2015
3	AOC 4- Form for filing financial statements	13.12.2015	29.10.2015
4	MGT 7 - Annual return	07.12.2016	29.11.2016
5	AOC 4- Form for filing financial statements	07.12.2016	29.10.2016
6	ADT 1 - Appointment of Auditor Sundaresan and Subramanian	10.12.2016	30.10.2016
7	MGT 7 - Annual return	13.12.2017	29.11.2017
8	AOC 4- Form for filing financial statements	13.12.2017	29.10.2017
9	ADT 1 -Appointment of Auditor Sundaresan and Subramanian	13.12.2017	30.10.2017
10	ADT 1 - Appointment of Auditor Sundaresan and Subramanian	13.12.2018	29.10.2018
11	ADT 1 - Appointment of Auditor Sundaresan and	16.11.2019	29.10.2019

	Subramanian		
12	DPT 3 - Return on deposits	15.02.2021	30.06.2020
13	AOC 4- Form for filing financial statements	15.11.2022	29.10.2022
14	SH 7 - Increase in authorised share capital 7.5 crores to 25 crores	20.06.2023	23.05.2023
15	ADT 1 - Resubmission of Appointment of PPN and Co.	19.08.2023	25.07.2023

The details of delayed GST filings have been encapsulated as under:

State -					
Telangana					
GSTIN- 36AABCR9542C1ZG					
Financial Year	Tax Period	Return type	Due date	Date of filing	No. of days delay
2023-2024	May	GSTR3B	20.06.2023	22.06.2023	2
2022-2023	December	GSTR3B	20.01.2023	31.01.2023	11
2022-2023	November	GSTR3B	20.12.2022	22.12.2022	2

State - Tamil Nadu					
GSTIN - 33AABCR9542C1ZM					
Financial Year	Tax Period	Return type	Due date	Date of filing	No. of days delay
2023-2024	May	GSTR3B	20.06.2023	30.06.2023	10
2023-2024	April	GSTR3B	20.05.2023	26.05.2023	6
2022-2023	January	GSTR3B	20.02.2023	27.02.2023	7
2022-2023	November	GSTR3B	20.12.2022	21.12.2022	1
2021-2022	Annual	GSTR9	31.12.2022	30.06.2023	181
2021-2022	Annual	GSTR9C	31.12.2022	30.06.2023	181
2019-2020	Annual	GSTR9C	31.03.2021	24.11.2021	238
2019-2020	Annual	GSTR9	31.03.2021	22.11.2021	238
2018-2019	Annual	GSTR9C	31.03.2021	21.10.2021	204
2018-2019	Annual	GSTR9	31.03.2021	20.10.2021	204

The details in delay filing of EPF returns are as under:

Month	Due date for filing return	Date of filing return	No. of days delayed
Jun-18	15.07.2018	16.07.2018	1

Our Company has filed all the GST, RoC and EPF returns as disclosed above after delay and regularised the same. No show cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Red Herring Prospectus, no penalty or fine has been imposed by any regulatory authority in respect to the same. However, it cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

31.

We have in past entered into related party transactions and we may continue to do so in the future.

As of July 31, 2023, we have entered into several related party transactions with our Group Entity, Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “Restated Financial Information-Annexure – 30: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements- Note 4 - Related Party Disclosures” at page no. **Error! Bookmark not defined.** F22.

All related party transactions of our Company are in compliance with the provisions of Section 188 of the Companies Act, 2013 and other applicable laws and have been conducted on an arm’s length basis. While we believe that all our related party

transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

32.

Our Company has availed certain unsecured loans which may be recalled at any time.

Our Company has availed certain unsecured loans of which an amount of ₹ 390.20 lakhs is outstanding as on July 31, 2023, which may be recalled at any time. In the event, any of such unsecured lenders seek a repayment of any these 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 undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations. For further details, see "Financial Indebtedness" on page 153 of this Draft Red Herring Prospectus.

33.

The COVID-19 pandemic has negatively impacted our business and operations and any such unforeseen future calamity may have an adverse effect on our business, operations and our future financial performance.

The COVID-19 pandemic had a negative impact on the Company's financial condition including liquidity, profitability, capacity utilization, existing contracts and arrangements or trade receivables in Fiscal 2021 and in the Fiscal 2022. Any such unforeseen future calamity may have an adverse effect on our business, operations and our future financial performance. The impact of the such pandemic on our business, operations and future financial performance may include, but are not limited to the following:

- result in a complete or partial closure of, or disruptions or restrictions on our ability to conduct our operations, resulting from government actions such as imposition of partial or complete lock-down;
- our inability to source goods from our suppliers as a result of the temporary or permanent closure of the facilities of our suppliers;
- a significant percentage of our workforce being unable to work, including because of travel or government restrictions, including stay at home order, which could result in a slowdown in our operations;
- our proposed / existing business plans becoming delayed or postponed indefinitely;
- impact our ability to travel, pursue business transactions and delay shipments of our products;
- delays in fulfilment of existing orders or delivery of orders, which will negatively impact our cash conversion cycle;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity, including customer bankruptcies or payments to suppliers due to delay in collections or liquidity issue;
- our inability to access debt and equity capital on acceptable terms, or at all;
- impact our compliance with the covenants in our credit facilities and other financing agreements and could result in events of default and the acceleration of indebtedness;

Any resulting financial impact due to the above cannot be reasonably estimated at this time. In addition, we cannot predict the impact that the COVID-19 pandemic or any such unforeseen future calamity will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on these parties could adversely impact us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government-mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether.

SECTION IV – INTRODUCTION

OBJECTS OF THE OFFER

DETAILS OF THE OBJECTS OF THE ISSUE

1. FUNDING OUR CAPITAL EXPENDITURE REQUIREMENTS

I. SETTING UP A NETWORK OPERATIONS CENTRE (NOC) & SECURITY OPERATIONS CENTRE (SOC) AT CHENNAI

ROX is pursuing rigorously to achieve the Cisco® GOLD Certification by investing and enabling personnel, support and specialization requirements to achieve a distinction regarded as Cisco’s highest partner level and also currently in the process of setting up a Network Operations Centre (NOC) and a Security Operations Centre (SOC) in India, with the objective of serving around 200 SMALL & MID-ENTERPRISES”

Considering the opportunities and our expertise, our Company proposes to open one Network Operations Centre (NOC) and a Security Operations Centre (SOC) at Chennai. Our Company has selected Chennai bases on their research and the availability of talented man power. However, our company has not entered into any formal agreement for occupying the rental space for setting up of Network Operations Centre (NOC) and a Security Operations Centre (SOC) at Chennai.

Our Company has identified the space for setting up of (1) Network Operations Centre (NOC) & Security Operations Centre (SOC) at Chennai; (2) Setting up a Chennai Medical Automation Centre; and (3) Setting up a Global Software Delivery Center at Noida as under:

Purpose	Supplier	Proposed Area	Validity of Quotation
Network Operations Centre (NOC) & Security Operations Centre (SOC) at Chennai	Fagun Company (Private) Limited), Chennai	10,000 sq.ft. at 8th Floor, Fagun Towers, Ethiraj Salai, Egmore, Chennai, Tamil Nadu – 600008	Quotation dated August 26, 2023 valid for 3 months
Setting up a Chennai Medical Automation Centre at Chennai	Fagun Company (Private) Limited), Chennai	7,500 sq.ft. at 8th Floor, Fagun Towers, Ethiraj Salai, Egmore, Chennai, Tamil Nadu – 600008	Quotation dated August 26, 2023 valid for 3 months
Setting up a Global Software Delivery Center at Noida	Space Solutions Realty Pvt Ltd. Gurgaon	6,000 sq.ft. at Candor TechSpace, Sector 62, Noida	Quotation dated August 25, 2023 valid for 3 months

The aforesaid spaces are identified considering the location of the space near to collages and IT hubs / centres. Further, the space for GSDC is identified at Noida as Noida is an IT corridor.

The benefits from setting up these centres includes:

1. NOC & SOC will enable our Company to create an operation centre to monitor and manage the complete network and security infrastructure of our clients more effectively.
2. The Medical Automation Centre will enable the Company to build an assist system to medical surgeons and open a new avenue for the Company’s growth.
3. GSDC will enable our Company to set up a software delivery centre to serve our overseas clients.

Basis of estimation of long-term working capital requirement

The details of our Company’s working capital as at March 31, 2021, March 31, 2022, March 31, 2023 and for the four months period ended July 31, 2023, derived from the standalone restated financial statements, and source of funding of the same are provided in the table below. Our expected working capital requirements for Fiscal 2024 and the proposed funding of such working capital requirements are as set out in the table below:

(Amount ₹ in Lakhs)

Particulars	2020-21	2021-22	2022-23	For the period ended July 31, 2023	2023-24
Inventories	995.72	996.76	3,005.96	3,856.36	2,867.54
Trade Receivables	1,672.46	1,677.16	1,843.52	2,869.39	3,332.55
Bank balances other than cash and cash equivalents (Deposits in Lien against Bank Guarantees issued by Banks on behalf of our Company)	337.37	149.49	1.12	0.21	50.52
Other financial assets and other current assets	298.64	109.04	198.90	277.90	339.16
Total Current Assets(A)	3,304.19	2,932.45	5,049.50	7,003.86	6,589.76
Trade payables	1948.126	132.71	848.51	1,230.78	1,163.28
Other financial liabilities, provisions, other current liabilities and current tax liabilities (net)	50.14448	78.07	549.18	817.26	719.61
Total Current Liabilities (B)	1,998.27	210.78	1,397.69	2,048.03	1,882.89
Net working capital requirements (C) = (A-B)	1,305.92	2,721.67	3,651.81	4,955.82	4,706.87
Means of Finance					
Borrowings (Short term borrowings and lease liabilities) and Internal Accruals or Equity	1,305.92	2,721.67	3,651.81	4,955.82	3,206.87
IPO Proceeds	-	-	-	-	1,500.00

Holding Levels

The following table sets forth the details of the holding period considered for Fiscal 2021, Fiscal 2022, Fiscal 2023, and for the period ended July 31, 2023, on the basis of the Restated Financial Statements of our Company, and the projected holding period for Fiscal 2024.

Particulars	Number of days				
	202-21	2021-22	2022-23	For the period ended July 31, 2023	2023-24
Inventories	54	35	55	84	63
Trade Receivables	95	59	48	57	56
Cash and Cash Equivalents	19	5	-	-	1
Other financial and other current assets	17	4	5	7	7
Trade payables*	120	60	34	27	29
Other financial liabilities, provisions, other current liabilities and current tax liabilities (net)	3	3	19	22	21

* Trade payables includes total outstanding dues of creditors including Micro, Small and Medium Enterprises.

Key Justifications / Assumptions for Holding Levels

S. No	Particulars	Assumptions and Justification
1	Inventory	Our Company has maintained inventory holding period of 54 days for FY 2020-21, 35 days for FY 2021-22, 40 days for FY 2022-23 and 84 days for the four months ended

		July 31, 2023, respectively. Our Company considers the holding levels to be 52 days for FY 2023-24, the increase in inventory holding period is in line with the projected increase in revenue.
2	Trade Receivable	The holding levels of trade receivables were 95 days, 59 days, 48 days and 57 days for FY 2020-21, FY 2021-22, FY 2022-23 and four months ended July 31, 2023, respectively. The decrease in trend is because of the faster realisation of payments from customers. Our Company considers the holding levels to be 56 days for FY2023-24, considering the faster realisation from customer.
3	Cash and Cash Equivalents	The holding period of Cash and Cash Equivalents stood at 19 days, 5 days for FY 2020-21, FY 2021-22 respectively, and less than 1 day for FY 2022-23 and four months ended July31, 2023. Our Company considers the holding levels to be around 1 day for the FY 2023-24, considering the negligible cash required in our operations.
4	Other financial assets and Other Current Assets	Our Company's other financial assets and other current assets include balance with statutory authorities, prepaid expenses, advances to staff and others. Our Company has maintained holding levels at 17 days for FY 2020-21, 4 days for FY 2021-22, 5 days for FY 2022-23 and 7 days for the four months ended July 31, 2023. Our Company expects the holding levels to be 7 days in FY 2023-24. The slight increase in the holding levels are due to the projected increase in business.
5	Trade payables	Our Company has maintained holding level of trade payable at 120 days, 60 days, 34 days and 27 days for FYs 2020-21, 2021-22, 2022-23 and four months ended July 31, 2023, respectively. The decreasing trend in the holding levels are due to the efforts taken by the Company for faster settlements to its vendors enabling it to negotiate for better rates and thereby the holding levels are expected to reduce to 29 days for FY 2023-24.
6	Other financial liabilities, provisions, other current liabilities and current tax liabilities (net)	It includes payable to employees, statutory liabilities, advance revenue, advance from customers, provision for gratuity and current tax liabilities (net). The Company has maintained the holding levels at 3 days for FY 2020-21 and FY 2021-22, 19 days for FY 2022-23 and 22 days for the four months ended July 31, 2023. Our Company expects the holding level to be 21 days in FY 2023-24. This increase in estimated trend is owing to the projected increase in operational expenses.

Justification for increase/ decrease in working capital requirement for the estimated period: :

For the Financial year 2023-2024

Sr. No.	Name of Project in FY 2022-23	Name of Project in FY 2023-24
1	Micron Technology Operations India LLP	Micron Technology Operations India LLP
2	Vestas Technology India Pvt Ltd	Vestas Technology India Pvt Ltd
3	Computer Age Management Services	Vellore Institute of Technology
4	Nippon Paint India Pvt Ltd	Computer Age Management Services
5	Loyola Institute of Business Administration	Bharat Heavy Electricals Limited
6	Larsen and Toubro	Saint Gobain
7		SRM University
8		Transunion
9		Super Auto Forge
10		Nippon Paint India Pvt Ltd

During the fiscal year 2022-23, the total working capital requirement was Rs.3,651.81 Lakhs. However, this is estimated to increase to Rs. 4,706.86 Lakhs during the fiscal year 2023-24, on account of an estimated increase in the revenue from Rs. 13,332.79 Lakhs in fiscal year 2022-23 to Rs. 16,969.51 Lakhs in fiscal year 2024.

For the financial year 2022-2023

S. No.	Name of Project in FY 2021-22	Name of Project in FY 2022-23
1	Vestas Technology India Pvt Ltd	Micron Technology Operations India LLP
2	Computer Age Management Services	Vestas Technology India Pvt Ltd
3	Loyola Institute of Business Administration	Computer Age Management Services

4	Micron Technology Operations India LLP	Nippon Paint India Pvt Ltd
5	Bharat Heavy Electricals Limited	Loyola Institute of Business Administration
6		Larsen and Toubro

The substantial working capital requirement, increasing from Rs 2721.67 lakhs in the fiscal year 2021-2022 to Rs 3651.81 lakhs in the fiscal year 2022-2023 can be attributed to an expansion in the company's projects during this period. This shift is evident in the comparison project numbers, which went from 5 in 2021-22 to 6 in 2022-23, accompanied by a corresponding boost in turnover from Rs.10286.22 lakhs to Rs 13,332.79 lakhs.

This surge in turnover had direct impact on the company's working capital requirements due to specific changes in the following areas:

- **Outstanding Receivables:** The rise in project executed led to a higher volume of sales, which in turn necessitated an increase in outstanding receivables. As the company offered credit to its clients, funds became locked in pending invoices, resulting in an expansion of the working capital needed.

Further the Company Estimates the inception of certain projects only towards the end of the fiscal year. This leads to some receipts to be kept on hold as there would be unexpired credit period for the corresponding invoice.

- **Inventories:** Similar to reasons specify for increase in trade receivable, owing to the Company's expectation of higher number of projects towards the end of fiscal year, it is expected that substantial amount of inventory will be kept in stock because of the pending projects.
- **Work in Progress for Projects:** The increased number of projects undertaken by the Company required larger investments in work in progress as more resources were allocated to complete these projects. Consequently, a larger portion of capital was tied up in unfinished projects.
- **Payment to Suppliers:** Over the past few years, the company has made consistent efforts for faster settlements to its vendors. This leads to a reduction in trade payables leading to an increase in working capital requirement. For example, our Company maintained holding level of trade payable at 60 days, 34 days, 2021-22 and 2022-23 respectively. The holding levels are expected to reduce to 29 days for FY 2023-24.

Justification for increase in working capital requirement for the estimated period

Reason:

As mentioned in the chapter "our Business" on page 94 of the Draft Red herring Prospectus.

OUR BUSINESS STRATEGIES

Our strategic objective is to improve and consolidate our position for end-to-end IT implementation company with a continuous growth philosophy and to enter in value services. Below points represents our continuous growth philosophy being implemented:

Expanding and augmenting our product portfolio

Medical automation, powered by AI and advanced technologies, is revolutionizing the healthcare landscape. From diagnosis to treatment, automation is streamlining processes, enhancing precision, and ultimately improving patient outcomes. One notable advancement in medical automation is the integration of AI algorithms in diagnostics. AI systems can analyse vast amounts of medical data, including patient histories, test results, and imaging scans, to derive accurate and rapid diagnoses. This not only saves valuable time for healthcare professionals but also reduces the likelihood of human errors. AI-driven diagnostic tools are proving to be particularly effective in detecting early signs of diseases such as cancer, enabling timely interventions and improved survival rates.

Centre of Excellence (COE) for Medical Automation:

ROX is committed to establishing a Centre of Excellence (COE) focused on medical automation, specifically to create an assist system for surgeons using deep learning and AI. These COEs are designed to unite interdisciplinary teams comprising

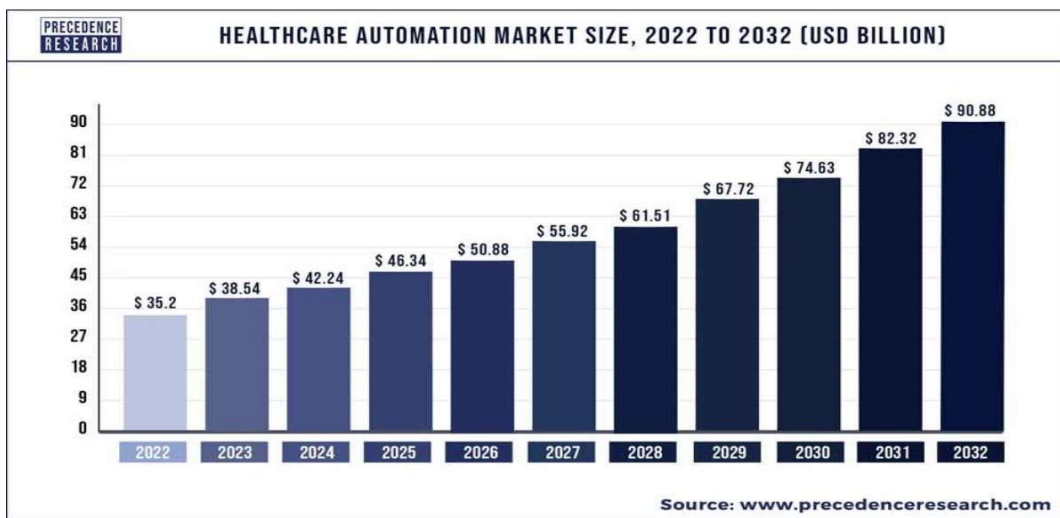
clinicians, researchers, engineers, and data scientists. This collaborative approach facilitates the development of state-of-the-art solutions. By nurturing innovation, COEs expedite the advancement and utilization of automation technologies, for seamless integration into the forefront of patient care.

These centres function as pivotal hubs for research, education, and implementation, propelling the evolution of medical automation to new heights.

Revolutionizing Cancer Treatment: CyberKnife System with LINAC Technology:

In the field of cancer treatment, an advancement has emerged in the form of the CyberKnife System with Linear Accelerator (LINAC) Technology. This innovation is reshaping the landscape of radiation therapy, offering unmatched precision in targeting tumors while sparing healthy tissue. The integration of LINAC’S high-energy radiation with robotic precision has ushered in a new era of treatment possibilities. This system’s ability to perform Stereotactic Radiosurgery (SRS) and Stereotactic Body Radiation Therapy (SBRT) represents a significant leap forward.

What truly sets this technology apart is its real-time adaptability to patient and tumor movement, ensuring unparalleled accuracy even amidst natural bodily shifts. The CyberKnife System with LINAC Technology not only reduces treatment sessions but also minimizes invasive interventions, significantly enhancing patient care and exemplifying the transformative potential of cutting-edge medical technology.



Source <https://www.precedenceresearch.com/healthcare-automation-market>

Acquire new clients and deepen key account relationships

Over the years we have developed long standing relationships with our customers. We devote significant attention to being able to understand the behavior, preferences and trends of our customers through research and a consultation process. We believe that this gives us a distinct perspective that we bring to our engagements.

We are focused on continuing to expand our relationships with existing customers by helping them solve new problems and become more engaging, responsive and efficient. We have a demonstrated track record of expanding our work with customers after an initial engagement. As we have done previously, we aim to sustain the annual revenue contribution of a customer in subsequent years after the year of customer acquisition. Expansion of our relationships with existing active customers will remain a key strategy going forward as we continue to leverage our domain expertise and knowledge of emerging technology trends in order to drive incremental growth for our business.

We believe that we continue to have opportunities to add new customers to our portfolio. We use next-generation technologies, including AI, to help our customers transform areas ranging from technical IT processes to complex business processes. Leveraging our creative and engineering capabilities, we work with our customers to create complete solutions, often involving custom, task-oriented user interfaces, integration and continuous delivery pipelines.

Our customers often choose us for creation of their digital roadmap and proof-of-concept of their digital journey due to our specialization in disruptive technologies and digital focus. Successful execution of these high-value assignments leads to larger implementation projects and long-term relationships.

Increase in Productivity and Efficiency

ROX offers end to end implementation of IT solution with a motto to enhances the quality of human life with Hi-Tech solutions that are sustainable to all the stakeholders. This will lead to improve the productivity and efficiency of our Clients. Not only do these innovations help businesses assimilate into the digital ecosystem, but small businesses' willingness to invest in these capabilities and other IT-related services exposes them to better local market opportunities and profit margins.

Enhance customer base by entering new geographies

We intend to expand our geographical footprint, by creating our presence to greater geographical proximity with some of our key clients. This will allow us to build on our existing relationships with them and also allow us to work on more strategic projects with our clients in the key industry sectors we cater to, which require closer geographical proximity. We will also aim to acquire new strategic clients in the industries we focus on and strengthen our capabilities in specific areas. We believe that our market access, brand recognition, track record of business acquisition and integration along with management depth positions us well to target inorganic growth opportunities. We aim to continue to execute acquisitions to expand our platform and service offerings and acquire new clients to drive accelerated growth by leveraging our market access. We consider following factors when developing a strategy for strategic investment and acquisition opportunities:

- Our goals and objectives
- Our resources
- The target companies
- The competitive landscape
- The regulatory environment

Based on the above factors we develop a strategy for strategic investment and acquisition opportunities. This strategy includes following elements:

- A target list: A list of companies that we are interested in acquiring.
- A valuation methodology: A way to determine the value of the target companies.
- A financing plan: A plan for how we will finance the acquisition. An integration plan: A plan for how we will integrate the acquired company into its business.

Attract, develop and retain highly-skilled employees

Our employees are one of our most important part in our organization. We focus on the quality and level of service that our employees deliver by investing in recruitment, development, retention, maintenance of a culture of innovation and by creating both a challenging and rewarding work environment. Our talent development strategy focusses on engaging, motivating, and developing a high performing workforce and we aim to create and sustain a positive workplace culture for our employees and benchmark ourselves against our peers.”

We have projected the working capital requirement for the upcoming fiscal year as follows: Rs. 4,706.87 lakhs for 2023-24. These requirements will be met through a combination of Internal Sources and IPO Proceeds.

For the fiscal year 2023-24, Rs. 1,500.00 lakhs will be sourced from Net Proceeds, while the remaining balance will be covered through internal accruals, amounting to Rs. 3,206.87 lakhs.

SECTION V – ABOUT US

OUR BUSINESS

We have deleted the word “As a top system integrator” as appearing on page no. 94. The revised para is as under:

OVERVIEW

ROX, headquartered in Chennai, India, is a customer-centric IT solutions provider committed to excellence. With over 22 years of industry experience, our Company have evolved from an IBM Business Partner into a prominent player in the IT segment. Our Company offers a comprehensive range of distributed IT solutions, including consulting, enterprise and end-user computing, managed print, and network services. We are one of India’s leading end to end IT solution provider.

Procurement of the Clients by the Company

We acquire clients through referral from existing clients, B2B, Customer Events, Digital Marketing, Brand Building Events and Webinars. The process followed to acquiring the clients are as under:

- Requirement Gathering and Analysis – This Includes assessing the client’s existing infrastructure or existing working model/ business flow
- Proof of Concept/Digital Discovery Assessment - Understanding the scope is done
- Arriving at the right solutions that fits the client needs done by the technical team
- Submission of Solution Proposition Document to Client which includes Bills of Material (BOM), Scope of Work (SOW) with deployment architecture and defined Service Level Agreement(SLA)
- Blueprint with workflow and Business Logic, described business outcome with Project Inclusions and exclusions will be shared to the Client.
- Once, the BOM and Blueprints are agreed between the stakeholders, Commercials for the same will be shared to the Client.
- Negotiations and Approvals.
- Purchase Order

We offer our services mainly to automotive, manufacturing, higher school of research education, IT/ITes, Banking Financial Services and Insurance industries.

We have Substituted the words “We are one of the few players in India who can offer” with words “We offer” on page no. 96. The revised para is as under:

2. Scalable Business Model

We design, develop, deploy and maintain IT solutions for end user utilities and pre-compiled application stack. Our deep expertise in system design and architecture, has helped us innovate and build bespoke solutions. Further, our proprietary designs are cloud native which, in addition to technological benefits, are capable of catering to the evolving needs of Clients.

We offer a full stack of product and solution suite with comprehensive capabilities in designing, developing, implementing and integrating high performance computing solutions.

Our business model is technology driven and comprises of optimum utilization of our ability to put together a successful team for our creative software solutions, efficient working of our marketing team, management expertise in identifying upgraded technology, acquiring new customers, budgeting the production lifecycle and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us since our incorporation. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the exponential online digital possibilities open to us.

PRODUCTS AND SOLUTIONS PORTFOLIO

Our products and solutions portfolio find applications across diverse Application Industries such as information technology, education, entertainment, media, banking and financial services, insurance, manufacturing, pharma, central government and defence systems amongst our Customers.

Our offerings comprises of :

1. Digital Transformation Solutions
2. Network and Collaboration
3. IT And OT Security
4. Data centre Solutions (On-premises and Cloud)
5. IOT, SMART and MEDIA

Digital Transformation Solutions:

Embrace Intelligent and Sustainable Transformation with ROX's Solutions, our SAP partnership, elevating us to Gold Partner status since 2020, epitomizes our robust capabilities in S/4 HANA, RISE with SAP & Integrations. ROX pioneers Rise with SAP Public and Private cloud victories, heralding an epoch of intelligent, sustainable enterprise progression.

Network and Collaboration:

Unleash the Power of Data, our cutting-edge network revolutionizes data into proactive solutions, amplifying availability and enriching user experiences. Stay Ahead of Threats with our adaptive network, doubling as a sensor and protector. With 360-degree visibility and robust automation, our network perpetually learns, evolves, and safeguards. We provide our clients Supercharge their Network Experience with ROX's Active and Passive Networking solutions. As a solution partner, we offer seamless implementation and expert consulting, ensuring our Clients achieve their business's goals. Our innovative range empowers our clients to optimize connectivity, productivity, and security across your operations.

Discover the potential of Industrial Internet of Things (IoT) as we seamlessly connect devices, exchange data, and provide real-time insights for enhanced efficiency and innovation. Elevate network management and security through Software-Defined Access (SD-Access), simplify network operations with Cloud Managed Networking, transform wide area networks with Software-Defined Wide Area Network (SD-WAN), and glean valuable insights with advanced Network Analytics. Additionally, foster wireless connectivity and mobility solutions to empower your workforce.

IT and OT Security:

We help our Clients to elevate their Hybrid Cloud with ROX's Opensource Solutions by enabling our clients to attain cohesion through a flexible operating system standardizing clients' hybrid cloud sphere. Seamlessly oversee hybrid cloud, multi-cloud, and edge deployments. Foster a scalable automation system, propelling digital transformation via open-source tools, processes, and strategies, ushering measurable, result-driven triumph. Partnered with Red Hat, we pioneer open-source innovation.

Unlock New Possibilities with ROX's Personal Computing Solutions, as a Platinum partner with Lenovo, we provide secure and future-proof solutions spanning Desktops, Notebooks, Workstations, AIOs, and Mobile Devices. Witness unparalleled ROI & TCO as we unveil transformative products and solutions, meticulously tailored to clients' aspirations.

Data centre Solutions (On-premises and Cloud)

We enable our clients to conquer the most demanding workloads with ROX's Enterprise Computing Solutions by empowering businesses to overcome challenges with the unrivalled capabilities of IBM Servers and Storage. As an esteemed partner of IBM, we bring the potency of cutting-edge cloud technologies, enabling analytics, Artificial Intelligence (AI), and Modern High-Performance Computing (HPC). Amplify this excellence further through the Intel-powered innovation found in Lenovo & Cisco Compute solutions. ROX is well-placed to deliver state-of-the-art Data Centre solutions. Our profound partnerships encompass Platinum partnerships with IBM, Authorized partnerships with Lenovo, Google cloud, Nutanix, Advance partnerships with CISCO, and strategic partnerships with Vertiv, establishing a rock-solid foundation for transformative success.

Opensource:

We help our Clients to elevate their Hybrid Cloud with ROX's Opensource Solutions by enabling our clients to attain cohesion through a flexible operating system standardizing clients' hybrid cloud sphere. Seamlessly oversee hybrid cloud, multi-cloud, and edge deployments. Foster a scalable automation system, propelling digital transformation via open-source tools, processes, and strategies, ushering measurable, result-driven triumph. Partnered with Red Hat, we pioneer open-source innovation.

IoT, SMART and MEDIA:

Embark on a metamorphic journey with our cutting-edge IoT solutions, seamlessly blend innovation and efficiency with our comprehensive offerings, spanning components, sensors, gateways, and cloud. As proud partners of industry giants like Cisco (Premier partners), Schneider Electric, Honeywell, and more, we empower our clients to reshape their digital panorama. We have our clients to elevate their smart infrastructure with augmented visibility and management prowess, propelling the future within your reach. We develop our clients' portal to a smarter tomorrow commences with ROX.

We help our clients with our content craftsmanship with world-class A/V equipment brands through our world class studio setup. We enable our clients to professional Video Capturing, Editing, Graphics & Live Streaming. Reap benefits from Content Creation, Authoring, and Secure Hosting, all fuelled by our influential partnerships.

We have deleted the phrase “We are first partner in territory to win rise with SAP private cloud and public cloud deals” as appearing on page no. 100. The revised para is as under:

Digital Transformation Solutions

Our Company's strong relationship with SAP & IBM makes ROX a one-stop shop for all our business application and underlying hardware requirements. ROX is a member of the SAP Partner Edge open ecosystem.

Sell Authorization includes:

- Open Cloud Solutions
- Open On-Premise Solutions
- RISE with SAP S/4H Cloud PE
- RISE with SAP S/4HANA Cloud
- SAP Ariba Solutions
- SAP HANA
- SAP S/4HANA

PROPERTY

Our Company does not own any property. We carry out our business operations from the following properties:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
2.	Co-working Space Agreement dated September 1, 2023 between Dex Co Work OPC Private Limited represented by Sajitha Nambiar and our Company	1383/433, 3rd Floor, 4th Block HBR Layout, Service Road, Outer Ring Road, Bangalore – 560045, Karnataka	₹ 5,000 per chair per month	A period of one year commencing from September 1, 2023	Branch Office

HISTORY AND CERTAIN CORPORATE MATTERS

Shareholders and Other Agreements

Our Company is empanelled as preferred partner with SAP, Cisco, IMB, Google and Lenovo amongst and has entered into collaboration agreement for certain domains with them. Being a preferred partner, it become advantageous for our Company to have an edge over our competitors and to win projects. A brief of the Agreements we have are as under:

Name of the Partner	Agreement Valid till	Brief description of the partnership	Area Coverage
SAP	NA	PartnerEdge Gold partner, Sell Authorization – Open Cloud Solutions, Open On Premise Solutions, SAP Ariba Solutions, SAP S/4HANA, SAP S/4HANA Cloud Private, SAP S/4HANA Cloud Public	NA
Cisco	December 06, 2023	Premier Integrator and Architecture Specialization	India
Google	March, 2024	Google Cloud Platform Product Partner	India
	May 2024	Google Workspace Product Partner	N.A

Except as stated above, there are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

SECTION VII - LEGAL AND OTHER INFORMATION

GOVERNMENT AND OTHER STATUTORY APPROVALS

List of licenses/approvals applicable to the proposed Centre as stated in Object of the Issue:

The Company shall be required to obtain the below licenses/approvals that will be applicable to the Company for the proposed objects of the Company:

Sr No	Name of the Centre as per Object of the Issue	Licence Required	Status as on the date of Issue
1	Network Operations Centre (NOC) & Security Operations Centre (SOC) at Chennai	Shop Establishment licence	To be applied once formal rental agreement for the space is entered into
2	Chennai Medical Automation Centre at Chennai	Shop Establishment licence	To be applied once formal rental agreement for the space is entered into
3	Global Software Delivery Centre at Noida	GST Certificate	To be applied once formal rental agreement for the space is entered into
4	Global Software Delivery Centre at Noida	Shop Establishment licence	To be applied once formal rental agreement for the space is entered into