(Please scan this QR Code to view the DRHP)

BALAJI SOLUTIONS LIMITED

CORPORATE IDENTITY NUMBER: U72900WB2001PLC092912

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711 115, India	Sanjay Bajaj, Company Secretary and Compliance Officer	Tel: +91 336 111 1818 Email: investor@balajisolutions.in	www.balajisolutions.in

OUR PROMOTER: RAJENDRA SEKSARIA

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and an Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 12,000.00 lakhs	Up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs	Up to [●] Equity Shares of face value of ₹ 10 each (“**Equity Shares**”) aggregating up to ₹ [●] lakhs (“**Offer**”)	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors, Retail Individual Investors and Eligible Employees, see “*Offer Structure*” on page 312.

OFFER FOR SALE

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) *
Rajendra Seksaria	Promoter	Up to 15,00,000 Equity Shares aggregating up to ₹ [●] lakhs	0.68
Rajendra Seksaria HUF	Promoter Group	Up to 60,00,000 Equity Shares aggregating up to ₹ [●] lakhs	0.02

**As certified by M/s P. Mukherjee & Co., Chartered Accountants, by way of their certificate dated August 12, 2022.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company and Selling Shareholders in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “*Basis for Offer Price*” on page 104, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 29.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name and logo of Book Running Lead Manager	Contact Person	Email and Telephone
IDBI Capital Markets & Securities Limited	Suhas Satardekar/ Rahul Sharma	Tel: +91 22 2217 1953 Email: balaji.ipo@idbicapital.com
Affinity Global Capital Market Private Limited	Zeba Shaukat/ Ayushi Hansaria	Tel: +91 33 4004 7183 E-mail: balaji.ipo@affinityglobal.in

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
KFin Technologies Limited	M Murali Krishna	Tel: +91 40 6716 2222 E-mail: bsl.ipo@kfintech.com

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	[●]*	BID/OFFER OPENS ON	[●]	BID/OFFER CLOSES ON	[●]**

** Our Company and Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

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

BALAJI SOLUTIONS LIMITED

Our Company was originally incorporated as '*Balaji Solutions Private Limited*' at Kolkata, West Bengal, as a private limited company under the provisions of the Companies Act, 1956, pursuant to certificate of incorporation dated February 19, 2001 issued by RoC. Subsequently, the name of our Company was changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 3, 2008 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 28, 2008. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on March 1, 2013 and the name of our Company was changed to '*Balaji Solutions Private Limited* pursuant to a fresh certificate of incorporation dated March 20, 2013, issued by the RoC. Subsequently, the name of our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 28, 2018 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on August 7, 2018. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on April 17, 2019 and the name of our Company was changed to '*Balaji Solutions Private Limited*' pursuant to a fresh certificate of incorporation dated January 24, 2020, issued by the RoC. Subsequently, the name our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 8, 2022 and the fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on February 25, 2022. For details of change in the name of our Company and address of registered office of our Company, see "*History and Certain Corporate Matters*" on page 193.

Registered and Corporate Office: Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711 115, India;
Contact Person: Sanjay Bajaj, Company Secretary and Compliance Officer**; Tel**: +91 336 111 1818
E-mail: investor@balajisolutions.in; **Website**: www.balajisolutions.in; **Corporate Identity Number**: U72900WB2001PLC092912

OUR PROMOTER: RAJENDRA SEKSARIA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] LAKHS (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 12,000.00 LAKHS BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 15,00,000 EQUITY SHARES BY RAJENDRA SEKSARIA AGGREGATING UP TO ₹ [●] LAKHS AND UP TO 60,00,000 EQUITY SHARES BY RAJENDRA SEKSARIA HUF AGGREGATING UP TO ₹ [●] LAKHS, COMPRISING UP TO 75,00,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS ("SELLING SHAREHOLDERS") ("SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER"). THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] LAKHS (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTES [●]% AND [●]%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Our Company in consultation with the Book Running Lead Managers, may offer a discount of up to ₹[●] per Equity Share to Eligible Employees bidding in the Employee Reservation Portion.

OUR COMPANY MAY, IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), CONSIDER ISSUING SUCH NUMBER OF EQUITY SHARES ON A PRIVATE PLACEMENT BASIS FOR CASH CONSIDERATION AGGREGATING UP TO ₹2,400.00 LAKHS, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (THE "PRE-IPO PLACEMENT"). THE PRICE OF THE EQUITY SHARES ALLOTTED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE DETERMINED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR").

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMs AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND [●] EDITION OF THE BENGALI DAILY NEWSPAPER [●] (BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs** and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, in accordance with the SEBI ICDR Regulations and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. For further details, see "*Offer Procedure*" on page 317.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company and Selling Shareholders in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "*Basis for Offer Price*" on page 104, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 29.

OUR COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accepts responsibility for, and confirms, that the statements made or confirmed by him in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to him and the Equity Shares offered by him under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 409.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
IDBI Capital Markets and Securities Limited 6th Floor, IDBI Tower, WTC Complex Cuffe Parade, Mumbai 400 005, Maharashtra, India **Telephone**: +91 22 2217 1953 **E-mail**: balaji.ipo@idbicapital.com **Investor Grievance ID**: redressal@idbicapital.com **Website**: www.idbicapital.com **Contact Person**: Suhas Satardekar/ Rahul Sharma **SEBI Registration Number**: INM000010866	**Affinity Global Capital Market Private Limited** 20B, Abdul Hamid Street, East India House, 1st Floor, Room No. 1G, Kolkata – 700069, West Bengal, India **Telephone**: +91 33 4004 7188 **E - mail**: balaji.ipo@affinityglobal.in **Investor Grievance ID**: investor@affinityglobalcap.in **Website**: www.affinityglobalcap.in **Contact Person**: Zeba Shaukat/ Ayushi Hansaria **SEBI Registration Number**: INM000012838	**KFintech Technologies Limited** Selenium, Tower – B, Plot 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500 032, Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** bsl.ipo@kfintech.com **Investor Grievance e-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	**[●]***
BID/OFFER CLOSES ON	**[●]****

** Our Company and Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

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

(This page is intentionally left blank)

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications, directions or clarifications shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification, direction or clarification as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms in the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for Offer Price", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 109, 186, 107, 227, 104, 286, 317 and 338 respectively, shall have the meaning ascribed to such terms in the relevant sections.

General Terms

Term	Description
"Balaji Solutions Limited", "the Company", "Our Company", "the Issuer", "we", "us' or "our"	Balaji Solutions Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered and Corporate Office at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711 115, India.

Company Related Terms

Term	Description
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management-Corporate Governance*" on page 207
Auditor or Statutory Auditor	The current statutory auditor of our Company, namely, M/s P. Mukherjee & Co., Chartered Accountants
Board or Board of Directors	The board of directors of our Company, as constituted from time to time
Chairman and Managing Director	Chairman and Managing Director of our Company i.e. Rajendra Seksaria
Chief Financial Officer/CFO	Chief financial officer of our Company i.e. Dinesh Bajaj
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, as described in "*Our Management*" on page 200
Director(s)	The director(s) on the Board of our Company, as appointed from time to time
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s) / Whole-time Director(s)	Executive director(s) or Whole-time Director(s) on our Board, as described in "*Our Management*" on page 200
Fitch Solutions	Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited)
Fitch Solutions Report	"*Indian Electronics Industry*", dated August 1, 2022 prepared and issued by Fitch Solutions (which is commissioned and paid for by us exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer), available on our website at

Term	Description
	https://balajisolutions.in/investors
Group Company	The group company of our Company, identified in terms of SEBI ICDR Regulations and as disclosed in the section "*Our Group Company*" on page 224
Independent Director(s)	Independent director(s) on our Board, as described in "*Our Management*" on page 200
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 200
Key Managerial Personnel/ KMP	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and section 2(51) of the Companies Act, 2013, as applicable, and as disclosed in "*Our Management – Key Managerial Personnel*" on page 217
Manufacturing Facility	The manufacturing facility of our Company located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India
Materiality Policy	Policy for identification of (a) Group Companies; (b) material outstanding civil litigations proceedings of our Company, our Promoter and our Directors; and (c) material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated June 3, 2022 and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus and any addendum
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time
Nomination, Remuneration and Compensation Committee	The Nomination, Remuneration and Compensation Committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management-Corporate Governance*" on page 207
Non-executive Director(s)	Non-executive director(s) of our Company, as described in "*Our Management*" on page 200
Promoter	The Promoter of our Company being Rajendra Seksaria. For further details, see "*Promoter and Promoter Group*" on page 220
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Promoter and Promoter Group*" beginning on page 220
Registered and Corporate Office	The registered and corporate office of our Company is located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India
Registrar of Companies or RoC	The Registrar of Companies, West Bengal at Kolkata
Restated Financial Statements / Restated Financial Information	The restated Ind AS financial information of our Company, which comprises of restated Ind AS summary statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated Ind AS summary statements of profit and loss (including other comprehensive income), the restated Ind AS summary statement of cash flows and the restated Ind AS statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, read together with the statement of basis of preparation and significant accounting policies, read together with the annexures and other explanatory notes thereto, which have been derived from our audited Ind AS financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, each prepared in accordance with IND AS and restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time read with the SEBI communication dated October 28, 2021
Scheme of Amalgamation	Scheme of amalgamation under section 391 and 394 of the Companies Act, 1956 of Foxin Technologies Private Limited with our Company and their respective shareholders and creditors dated April 1, 2015
Selling Shareholder(s)	Rajendra Seksaria and Rajendra Seksaria HUF
Senior Management Personnel	Senior management/ managerial personnel of our Company and as disclosed in "*Our Management – Senior Managerial Personnel*" on page 217

Term	Description
Shareholders	The holders of the Equity Shares from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, and as described in "*Our Management-Corporate Governance*" on page 207

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary (ies) to the Bidder as proof of registration of the Bid cum Application Form
Affinity	Affinity Global Capital Market Private Limited
Allot or Allotment or Allotted	Allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to successful Bidders who have bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom an Allotment is made
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 1,000.00 lakhs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA account maintained with such SCSB and will include application made by UPI Bidders where the Bid Amount will be blocked upon acceptance of a UPI Mandate Request by UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder
ASBA Bid	A Bid made by an ASBA Bidder

Term	Description
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor) in the Offer who intends to submit a Bid
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in "*Offer Procedure*" on page 317
Bid(s)	An indication by a Bidder (other than an Anchor Investor) to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹5,00,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹2,00,000 in value. Only in the event of an under subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹2,00,000, subject to the total Allotment to an Eligible Employee not exceeding ₹5,00,000 in value
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
'Bidder' or 'Applicant'	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bid Lot	[●] Equity Shares
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●], and the [●] edition of Bengali daily newspaper [●] (Bengali being the regional language of West Bengal wherein our Registered and Corporate Office is located) each with wide circulation, and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations Our Company and Selling Shareholders in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the

Term	Description
	Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the revised Bid/Offer Closing Date shall be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), and shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●], and the [●] edition of Bengali daily newspaper [●] (Bengali being the regional language of West Bengal wherein our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three working days for all categories of Bidders, other than Anchor Investors Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for the QIB Category, one working day prior to the Bid/Offer Closing Date, which shall also be notified in an advertisement in same newspaper in which the Bid/Offer Opening date was published in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only
Book Building Process	The book building process provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, being IDBI Capital Markets & Securities Limited and Affinity Global Capital Market Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank(s) Agreement	The cash escrow and sponsor bank(s) agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Banks, and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
CDP or Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars issued by SEBI, as per the list available on the websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com, as updated from time to time.
Cut-Off Price	The Offer Price, which shall be any price within the Price Band, finalised by our Company in consultation with the BRLMs and Selling Shareholders

Term	Description
	Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs and HNIs Bidding with an application size of up to ₹5,00,000 by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders(not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders (other than Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated August 12, 2022 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee(s)	All or any of the following: i. a permanent and full-time employee of our Company (excluding such employees who are not eligible to invest in the Offer under applicable laws), as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent and full-time employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as

Term	Description
	on the date of submission of the ASBA Form, including an employee of our Company, who is employed against a regular vacancy but, is on probation as on the date of the submission of ASBA Form, will also be deemed to be a 'permanent and full time' employee of our Company; or ii. a Director of our Company, whether a whole-time Director or part time Director, (excluding our Promoter and individual members of the Promoter Group and other Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director until submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form
Eligible FPI	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to, or purchase the Equity Shares
Employee Discount	Our Company in consultation with the Book Running Lead Managers, may offer a discount of ₹ [●] per Equity Share to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating up to ₹[●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed [●]% of the post-Issue Equity Share capital of our Company.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid
Escrow Collection Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being [●]
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band being [●], subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 12,000 lakhs by our Company. Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider issuing such number of Equity Shares on a private placement basis for cash consideration aggregating up to ₹ 2,400 lakhs, prior to filing of the Red Herring Prospectus with the RoC (the "**Pre-IPO Placement**"). The price of the Equity Shares allotted pursuant to the Pre-IPO Placement shall be determined by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with rule 19(2)(b) of the SCRR.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant

Term	Description
	to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI
IDBI Capital	IDBI Capital Markets and Securities Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, please see the section entitled "*Objects of the Offer*" on page 95
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of this Offer being not more than 15% of the Net Offer, being [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which i) one third shall be reserved for Bidders with Bids exceeding ₹2,00,000 up to ₹10,00,000; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹10,00,000
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs
Offer	The initial public offer of [●] Equity Shares of face value of ₹10 each for a cash price of ₹ [●] each (including a share premium of ₹ [●] each), comprising of the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 12,000 lakhs and the Offer for Sale up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders. Subject to receipt of requisite corporate approvals, our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with Rule 19(2)(b) of the SCRR.
Offer Agreement	The agreement dated August 12, 2022 among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders
Offer Price	₹ [●] per Equity Shares, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus.

Term	Description
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 95
Offered Shares	Up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs being offered for sale by the Selling Shareholders in the Offer for Sale
Pre-IPO Placement	A further issue of such specified securities through a private placement under applicable law to any person(s), aggregating up to ₹ 2,400.00 lakhs, at its discretion, which may be undertaken by our Company, in consultation with the BRLMs, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects as disclosed in "*Objects of the Offer*" on page 95.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company and Selling Shareholders, in consultation with the BRLMs and will be advertised in all editions of the English national daily newspaper [●], and all editions of the Hindi national daily newspaper [●], and the [●] edition of Bengali daily newspaper [●] (Bengali being the regional language of West Bengal wherein our Registered and Corporate Office is located) each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company, the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Offer Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened, in this case being [●]
'QIBs' or 'Qualified Institutional Buyers'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Offer
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price
QIB Bid/ Offer Closing Date	In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date
Red Herring Prospectus or RHP	The Red Herring Prospectus dated [●] to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or

Term	Description
	corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated August 5, 2022, entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer or Registrar	KFintech Technologies Limited
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Offer, being not more than 10% of the Net Offer being not more than [●] Equity Shares, available for allocation to Retail Individual Bidders as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
'Self-certified Syndicate Bank(s)' or 'SCSB(s)'	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by

Term	Description
	the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank(s)	Bank(s) registered with SEBI which are appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the UPI Bidders into the UPI, the Sponsor Bank(s) in this case being [●] and [●]
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	The agreement dated [●] between our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate
Syndicate Members	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, [●]
'Syndicate' or 'Members of the Syndicate'	Together, the BRLMs and the Syndicate Members
Systemically Important Non- Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] between the Underwriters, our Company and the Selling Shareholders, entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidder	Collectively, individual investors applying as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹5,00,000 in the Non-Institutional Portion by using the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	Collectively, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and

Term	Description
	subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	Wilful defaulter or a Fraudulent Borrower as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI, including the SEBI UPI Circulars

Technical/ Industry Related Terms/ Abbreviations

Term	Description
A&D	Aerospace and Defence
AEB	Automated Emergency Braking
AI	Artificial Intelligence
API(s)	Application Programming Interface
BCD	Basic Customs Duty
BNPL	Buy Now Pay Later
CNL	Creative Newtech Limited
CPE	Customer premises equipment
CKD	Complete Knocked Down
D2C	Direct to customer
DaaS	Desktop-as-a-service
DAX	Deutscher Aktien Index
DC	Data Centers
DJIA	Dow Jones Industrial Average
DMs	Developed Markets
DPIT	Department for Promotion of Industry and Internal Trade
ECS	Electronic Clearing Service
EMC	Electronics Manufacturing Clusters
EMI	Equated Monthly Instalment
EMs	Emerging Markets
ESDM	Electronics System Design and Manufacturing
FDI	Foreign Direct Investment
FOMC	Federal Open Market Committee
FPD	Flat Panel Display
FSIAPL	Fitch Solutions India Advisory Private Limited
FTAs	Free Trade Agreements
GDP	Gross Domestic Product
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GMV	Gross Merchandise Value
GNI	Gross National Income
GVA	Gross Value Added
IaaS	Infrastructure-as-a-service
IAMAI	Internet and Mobile Association of India
ICEA	India Cellular and Electronics Association
ICT	Information and Communication Technology
IDC	International Data Corporation
IIP	Index of Industrial Production
IMPS	Immediate Payment Service

Term	Description
IoT	Internet of Things
IR	Infra-Red
LCD	Liquid Crystal Display
LTE	Long Term Evolution-Advanced
MBO	Multi-Brand Outlet
MRP	Maximum Retail Price
M-SIPs	Modified Special Incentive Package Scheme
NACH	National Automated Clearing House
NAS	Network-Attached Storage
NEFT	National Electronic Funds Transfer
NPE	National Policy on Electronics
ODMs	Original Design Manufacturers
ODOP	One District One Product
OEMs	Original Equipment Manufactures
OTT	Over-the-top
PCB	Populated Circuit Board
PCBA	Printed Circuit Board Assembly
PFCE	Private Final Consumption Expenditure
PLI	Production Linked Incentives
PMP	Phased Manufacturing Policy
PPP	Purchasing Power Parity
QSRs	Quick Service Restaurants
RBI	Reserve Bank of India
SAN	Storage Area Network
SBO	Single Brand Retailer
SE	Strategic Electronics
SEZs	Special Economic Zones
SLNP	Street Lighting National Programme
SMEs	Small and Medium Enterprises
SMD	Semi Knocked Down
SMPS	Switched Mode Power Supply
SMT	Surface Mount Technology
SoC	System on Chip
SP	Strategic Partnership
SPECS	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
SSD	Solid State Drive
UJALA	Unnat Jyoti by Affordable LEDs for All
UK	United Kingdom
UPI	Unified Payments Interface
UPS	Uninterrupted Power Supply
US	United States of America
USB	Universal Serial Bus
USSD	Unstructured Supplementary Services Data
UTM	Unified Threat Management System
VAR	Value-Added Reseller
VPN	Virtual Private Network
WAN	Wide Area Network
WLAN	Wireless Local Area Network
WTO	World Trade Organisation

Conventional and General Terms or Abbreviations

Term	Description
‘Mn’ or ‘mn’	Million
AGM	Annual General Meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds)

Term	Description
	Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Capital Employed	Total Equity, add current borrowings, add non-current borrowings, less current investments, less cash and cash equivalents, less bank balances and other cash and cash equivalents
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPI	FPIs registered as "Category I foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Category II FPI	FPIs registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970
CSR	Corporate Social Responsibility
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT and any modifications thereto or substitutions thereof, issued from time to time.
Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
Demat	Dematerialised
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder
DIN	Director Identification Number.
DP ID	Depository Participant's Identity Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EBITDA	Earnings before interest, tax, depreciation and amortisation
Employees Provident Fund Act	Employees Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
FAQs	Frequently asked questions
FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FDI Circular	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instrument) Rules, 2019
'Financial Year' or 'Fiscal' or 'Fiscal Year' or 'FY'	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI

Term	Description
	Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GDP	Gross domestic product
GoI or Government or Central Government	The Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	Income- Tax Act, 1961, read with the rules framed thereunder
Income Tax Rules	Income- Tax Rules, 1962
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
LC	Letter of credit
MBA	Master’s degree in business administration
MCA	Ministry of Corporate Affairs, Government of India
N.A.	Not applicable
NAV	Net asset value
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External account
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NACH	National Automated Clearing House
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
‘OCB’ 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulations S	Regulation S under the U.S. Securities Act of the United States
ROCE	Earnings before interest and tax dividend by Capital Employed
ROE	Net profit divided by shareholders equity
RoNW	Return on Net Worth
RTGS	Real time gross settlement
R&D	Research and development
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

Term	Description
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB and Sweat Equity Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
State Government	The government of a state in India
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
TDS	Tax deducted at source
U.S./United States	The United States of America, together with its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally accepted accounting principles of the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations
Year/ Calendar Year	The 12 month period ending December 31

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Fiscal Year are to the year ended on March 31, of that calendar year.

Page Numbers

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

Currency and Units of Presentation

All references to *"Rupee(s)"*, *"Rs."* or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to *"US$"* or *"USD"* or *"U.S. Dollars"* are to United States Dollar, the official currency of the United States of America.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on*		
	March 31, 2022	March 31, 2021	March 31, 2020
1US$	75.81	73.51	75.39

Source: Foreign exchange reference rates as available on www.fbil.org.in

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed. The reference rates are rounded off to two decimal places.

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

Time

Unless otherwise specified, all references to time in this Draft Red Herring Prospectus are to Indian Standard Time ("**IST**").

Financial and Other Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Financial Information. For further information, see "*Financial Statements*" on page 227.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The restated Ind AS financial information of our Company, which comprises of restated Ind AS summary statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the restated Ind AS summary statements of profit and loss (including other comprehensive income), the restated Ind AS summary statement of cash flows and the restated Ind AS statement of changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, read together with the statement of basis of preparation and significant accounting policies, read together with the annexures and other explanatory notes thereto, which have been derived from our audited Ind AS financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, each prepared in accordance with IND AS and restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time read with the SEBI communication dated October 28, 2021.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you 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 Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 55.

All the figures in this Draft Red Herring Prospectus, except for figures derived from the Fitch Solutions Report (which are in million or billion), have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs unless stated otherwise. One lakh represents 1,00,000. Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. Except for figures derived from our Restated Financial Statements (which are rounded off to the second decimal), all figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Non- GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like total EBITDA, EBITDA margin, Adjusted EBITDA, PAT Margin, ROE, Capital Employed, ROCE, Debt, Net Debt, Debt-Equity Ratio, Net Debt-EBITDA Ratio, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, Pre-tax Operating Profit, Net Tangible Assets, Monetary Assets and Monetary Assets as a percentage of Net Tangible Assets relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS (together, "**Non-GAAP Measures**"). These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. See also "*Risk Factors – Significant differences exist between Ind*

AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 55.

Industry and Market Data

Unless otherwise stated, the industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from a report titled "*Indian Electronics Industry"* dated August 1, 2022 prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited), appointed by our Company pursuant to an engagement letter dated June 1, 2022 and such report has been commissioned for and paid by our Company. Exclusively in relation to the Offer. For risks in relation to commissioned reports, see "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from industry report prepared by Fitch Solutions exclusively commissioned and paid for by us in connection with the Offer. There can be no assurance that such third party statistical, financial and other industry data in the Draft Red Herring Prospectus may be complete or reliable.*" on page 48. The Company commissioned Fitch Solutions Report shall also available on the website of our Company at https://balajisolutions.in/investors.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 29.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 104 includes information relating to our peer group. Such information has been derived from publicly available sources. Accordingly, no investment decision should be made solely on the basis of such information.

Fitch Solutions has, through its letter dated August 9, 2022 ("**Letter**") accorded its consent to use the Fitch Solutions Report in this Draft Red Herring Prospectus. Fitch Solutions has also confirmed in the Letter that it is an independent agency, and that it is not related to our Company, our Promoter or our Directors.

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements" which are not statements of historical fact and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "believe", "can", "could" "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "shall" "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our present plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, 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.

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

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

- Our ability to successfully identify and respond to changing customer preferences and demands in a cost-effective and timely manner;
- Our ability to successfully manage the introduction of new products;
- If we do not accurately forecast demand of our products, our revenues, profit and cash flow could be adversely affected;
- Our sales and profitability could be harmed if we are unable to maintain and further build our brands;
- Our ability to maintain our relationships with domestic and foreign vendors and their inability to meet our products specifications and supply our products in timely manner;
- Regulatory changes pertaining to the industry in India which have an impact on our business and our ability to respond to them;
- Our ability to successfully implement our strategy and growth;
- Competition in the industry in which we operate in;
- Our ability to respond to technological changes;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations; and
- Slowdown in economic growth in India or the other countries in which we operate.

For a discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 163 and 254, respectively. By their nature, certain market risk disclosures are 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 and are not a guarantee of future performance.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Promoter, Directors, the Selling Shareholders, and the BRLMs or their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments from the date of filing of the Red Herring Prospectus until the date of Allotment. The Selling Shareholders, (through our Company and the BRLMs) will ensure that investors are informed of material developments in relation to the statements and undertakings expressly made by the Selling Shareholders in the Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholders, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 29, 60, 74, 95, 109, 163, 227, 286, 317, and 338, respectively.

A. Primary business of our Company

We are an IT hardware & peripherals and mobile accessories company engaged in the business of (i) manufacturing and branding of products under our flagship brand i.e. "*Foxin*" ("**Foxin Products**"); (ii) original equipment manufacturers ("**OEMs**") ranging from sourcing of components, designing, manufacturing, quality testing as per the specifications provided by certain brand owners; and (iii) distribution of various IT hardware & peripherals, mobile accessories, consumables and surveillance products of certain brand owners. Over the years we have been able to build our presence in India through a wide range of quality consumer products at an affordable prices and through our dealer channels in the electronic industry.

For further details, see "*Our Business*" on page 163.

B. Industry in which our Company operates

The Indian Electronics Industry has grown at a CAGR of 13% from ₹ 4,723.0 billion in FY16 to ₹ 8,720.1 billion in FY21. Domestic electronics production has grown at a CAGR of 17.9% from ₹ 2,432.6 billion in FY16 to ₹ 5,544.6 billion in FY21. The key drivers of growth are large domestic market, and availability of skilled talent and low-cost labour. As a result of several initiatives taken by the Government and efforts of the industry, domestic production of electronic goods in India has grown at a CAGR of 17.9% from ₹ 2,432.6 billion in FY16 to ₹ 5,544.6 billion in FY21. The Government attaches high priority to electronics hardware manufacturing and it is one of the important pillars of both 'Make in India' and 'Digital India' programme of Government of India *(Source: Fitch Solutions Report).*

For further details, see "*Industry Overview*" on page 109.

C. Names of the Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter is Rajendra Seksaria. For further details, see "*Our Promoter and Promoter Group*" on page 220.

D. Offer Size

Offer^(1)	[●] Equity Shares, aggregating up to ₹ [●] lakhs
of which	
Employee Reservation Portion#	Up to [●] Equity Shares aggregating up to ₹[●] lakhs
Net Offer#	Up to [●] Equity Shares aggregating up to ₹[●] lakhs
of which	
Fresh Issue(1)	[●] Equity Shares, aggregating up to ₹ 12,000.00 lakhs
Offer for Sale(2)(3)	Up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholders

^Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 2,400.00 lakhs prior to the filing of the Red Herring Prospectus with the RoC is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed

under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

(1) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on June 3, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated June 30, 2022.*

(2) *For details on authorisation of the Selling Shareholder in relation to their respective portion of their Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 60 and 293.*

(3) *Each of the Selling Shareholders has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offer Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 293.*

#In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount) subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000(net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation up to ₹500,000 (net of Employee Discount), shall be added to the Net Offer. For further details, see "Offer Structure" on page 312.

Our Company in consultation with the BRLMs, may offer a discount of ₹ [●] per Equity Share to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

The Offer and Net Offer shall constitutes [●]% and [●]%, respectively, of the post-Offer paid up equity share capital of our Company. For further details, see "*The Offer*" and "*Offer Structure*" on pages 60 and 312 respectively.

E. Objects of the Offer

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

Objects	**Amount (₹ in lakhs)#**
Funding incremental working capital requirements of our Company	[●]
General corporate purposes*	[●]
Net proceeds*	**[●]**

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to the filing with RoC. The amount utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds.*

#Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

For further details, see "*Objects of the Issue*" on page 95.

F. Aggregate pre-Offer shareholding of the Promoter, Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of our Promoter, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	**Name of the shareholder**	**Pre-Offer**	
		No. of Equity Shares held	**Percentage of the pre-Offer paid up Equity Share capital (%)**
A.	**Promoter**		
1.	Rajendra Seksaria*	4,80,00,000	80.00
	Total (A)	**4,80,00,000**	**80.00**

B.	**Promoter Group**		
1.	Rajendra Seksaria HUF*	1,02,80,000	17.13
2.	Sangeeta Seksaria (w/o Rajendra Seksaria)	17,14,000	2.86
	Total (B)	**1,19,94,000**	**19.99**
	Total (A+B)	**5,99,94,000**	**99.99**

** Selling Shareholders participating in the Offer for Sale*

For further details, see "*Capital Structure*" beginning on page 74.

G. Summary of Financial Information

The details of certain financial information as set out under the SEBI ICDR Regulations as of and for financial years ended March 31, 2022, 2021 and 2020 derived from the Restated Financial Statements are as follows:

(₹ in lakhs, except per share data)

Particulars	As of and for the Financial Year ended March 31		
	2022	**2021**	**2020**
(A) Share capital	6,000.00	1,578.45	1,578.45
(B) Net Worth (Total Equity)	7,592.08	6,386.14	4,761.18
(C) Revenue	48,224.72	48,348.16	45,215.92
(D) PAT	1,538.66	1,624.96	333.01
(E) Earnings per Share (basic, in ₹) (1)	2.56	10.29	2.11
(F) Earnings per Share (diluted, in ₹)(2)	2.56	10.29	2.11
(G) Net Asset Value per Equity Share (in ₹)(3)	12.65	40.46	30.16
(H) Total borrowings	3,311.52	3,752.89	4,975.74

Notes:
(1) Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of equity shares outstanding during the year
(2) Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive equity shares outstanding during the year
(3) NAV per equity share (₹) = Restated net worth as at year end / Number of equity shares outstanding at end of the year

For further details, see "*Financial Statements" and "Other Financial Information"* on pages 227 and 252, respectively.

H. Qualifications of the Statutory Auditor which have not been given effect to in the Restated Financial Statements

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

I. Summary of outstanding litigations

A summary of outstanding litigations proceedings involving our Company, Promoter and Directors as on the date of this Draft Red Herring Prospectus are as below:

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations*	Aggregate Amount Involved (₹ in lakhs)**
Company						
By our Company	36	-	-	-	-	207.28
Against our	1	11	-	-	-	1,116.33

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations*	Aggregate Amount Involved (₹ in lakhs)**
Company						
Directors (other than promoter)						
By our Company	-	-	-	-	-	-
Against our Company	-	-	-	-	-	-
Promoter						
By our Promoter	-	-	-	-	-	-
Against our Promoter	1[#]	1	-	-	-	24.78

** In accordance with the Materiality Policy.*

*** To the extent quantifiable.*

[#]This is also included under criminal proceedings against our Company.

For further details, see "*Outstanding Litigation and Material Developments*" on page 286.

J. Risk factors

Investors should see "*Risk Factors*", beginning on page 29 to have an informed view before making an investment decision.

K. Summary of contingent liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37 (claims/ demands not acknowledged as debt) of our Company as of March 31, 2022 as indicated in our Restated Financial Statements

(₹ in lakhs)

Sr. No	Contingent Liabilities	As at March 31, 2022
1	Customs	-
2	Value added tax	105.90
3	Central sales tax	0.01
4	Income Tax	941.33
5	Entry Tax	-
6	Goods and Service	23.16
Total		**1,070.40**

Notes:

i. *For the assessment year 2020-21, the Assistant Director of Income Tax, had raised a demand of ₹398.64 lakhs vide order dated August 6, 2021. On May 17, 2022, the Centralised Processing Center has reduced the demand to ₹21.42 lakhs. The Company is of the view that demand has been raised erroneously and had filed rectification with the Income Tax Department to contest the demand raised.*

ii. *One of the customer of the organisation has filed a commercial suit against the Company. In response to the same, the Company has filed a counter claim and the matter is subjudice before Commercial Court, Rohini, Delhi.*

For further details of our contingent liabilities, see "*Restated Financial Statements – Note 35 Commitments and Contingent Liabilities*" on page 245.

L. Summary of Related Party Transactions

The details of related party transactions entered into by our Company for the financial years ended March 31, 2022, 2021 and 2020, and derived from the Restated Financial Statements are as set out in the table below:

(₹ in lakhs)

Name of the Related Party	Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021	For the period ended March 31, 2020
Rajendra Seksaria	Remuneration#	122.00	192.00	84.00
	Interest	-	0.33	-
Rajendra Seksaria HUF	Interest	0.75	2.45	-
	Rent	12.60	-	-
Dinesh Bajaj	Remuneration	19.80	33.30	18.10
Sanjay Bajaj	Remuneration	16.63	15.48	15.16
Sangeeta Seksaria	Salary#	23.20	20.00	9.32
Harshika Seksaria	Interest	0.59	0.22	-
Utkarsh Seksaria	Salary#	4.90	-	-
Shailendra Kumar Seksaria	Salary	6.60	8.73	9.70
Venkatesh International Exim Private Limited	Office Rent	20.89	28.45	19.80
	Interest	1.05	7.59	6.74
	Sale of Assets	23.54	-	-
Nidhi Dubey	Sitting Fee	-	-	0.63
Pradip Sen	Sitting Fee	-	-	0.63
Divya Awasthi	Sitting Fee	-	-	0.35
Sidharth Awasti	Salary	-	-	5.61
Rajni Dalmia	Professional Fees	0.40	-	-

 # The aforesaid amount includes NPS, but does not includes gratuity as amount is not determinable
***Note**: During the year ended no amounts written off and written back from/to related parties*

For details of the related party transactions, see "*Financial Statements – Restated Financial Statements – Note 36 – Information on Related Party Transactions as required by Ind AS-24 for the year ended March 31, 2022*" on page 245.

M. Details of Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase by any other person of securities of our Company other than in the normal course of business of the relevant financing entity, during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

N. Weighted average price at which the Equity Shares were acquired by the Selling Shareholders including Promoter in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares were acquired by the Selling Shareholders including Promoter in the last one year preceding the date of this Draft Red Herring Prospectus is provided below:

Name	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
Promoter		
Rajendra Seksaria#	3,60,00,000	Nil
Selling Shareholder		
Rajendra Seksaria HUF	77,10,000	Nil

** As certified by M/s P. Mukherjee & Co., Chartered Accountants, pursuant to certificate dated August 12, 2022.*
 # Selling Shareholder participating in the Offer for Sale.

O. Average cost of acquisition of Equity Shares of the Promoter and Selling Shareholder

The average cost of acquisition per Equity Share by our Promoter and Selling Shareholder as on the date of this Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Promoter		
Rajendra Seksaria#	4,80,00,000	0.68
Selling Shareholder		
Rajendra Seksaria HUF	1,02,80,000	0.02

** As certified by M/s P. Mukherjee & Co., Chartered Accountants, pursuant to certificate dated August 12, 2022.*
 # Selling Shareholder participating in the Offer for Sale.

Weighted average cost of acquisition of all shares transacted in the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)^	Cap Price is 'x' times the weighted average cost of acquisition*^	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)^
Last one year preceding the date of this Draft Red Herring Prospectus	[●]	[●]	[●]
Last 18 months preceding the date of this Draft Red Herring Prospectus	[●]	[●]	[●]
Last three years preceding the date of this Draft Red Herring Prospectus	[●]	[●]	[●]

^ As certified by M/s P. Mukherjee & Co., Chartered Accountants, by way of their certificate dated [●].
** To be updated in the Prospectus, following finalisation of the Cap Price.*

P. Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

The details of the price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoter, members of the Promoter Group, Selling Shareholder are disclosed as below:

Name of the Acquirer/ Shareholders	Date of acquisition	Number of Equity Shares acquired	Acquisition price per Equity Share (in ₹)*
Promoter			
Rajendra Seksaria#	March 21, 2022	3,60,00,000	Nil
Members of Promoter Group			
Rajendra Seksaria HUF#	March 21, 2022	77,10,000	Nil
Sangeeta Seksaria (w/o Rajendra Seksaria)	March 21, 2022	12,85,500	Nil

** As certified by M/s P. Mukherjee & Co., Chartered Accountants, pursuant to certificate dated August 12, 2022.*
 # Selling Shareholders participating in the Offer for Sale.

Q. Size of the pre-IPO placement and allottees, upon completion of the placement

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹2,400.00 lakhs prior to the filing of the

Red Herring Prospectus with the RoC is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

In relation to the Pre-IPO Placement, our Company shall inform to the proposed allottees in the Pre-IPO Placement that the Offer may or may not be successful and the Equity Shares may or may not get listed.

R. Issuance of equity shares for consideration other than cash in the last one year

Except as disclosed in "*Capital Structure – History of Equity Share capital of our Company*" on page 75, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

S. Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

T. Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigation and Material Developments" and "Financial Information" beginning on pages 109, 163, 186, 254, 286 and 227, respectively, "as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business in terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Our financial year ends on March 31 of each year, so all references to a particular financial year are to the 12-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the financial years 2022, 2021 and 2020 included herein is derived from the Restated Financial Statements, included in this Draft Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and the generally accepted accounting principles in other countries. For further information, see "Financial Information" beginning on page 227.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" on page 20.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Indian Electronics Industry" dated August 1, 2022 prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) ("**Fitch Solutions Report**") (which has been commissioned and paid for by us exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer). Unless otherwise indicated, all financial, operational, industry and other related information derived from the Fitch Solutions Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 17.*

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. The prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

INTERNAL RISK

1. Our business is dependent on the distribution of products of the brand owners and loss of one or more such brand owner or a reduction in demand for their products could adversely affect our business, results of operations, financial condition and cash flows.

We have over, two decades of our business operations, established long standing relationships with brand owners across the industry in which we operate. As on June 30, 2022, we have entered into an agreement with 5 brand owners in India for the distribution of IT hardware & peripherals, mobile accessories, consumables and surveillance products. The table below sets forth details of revenue generated from our single largest brand owner and the top 3 brand owners for the Fiscal 2020, 2021 and 2022:

Brand owners	Fiscal					
	2022		2021		2020	
	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)	Amount (₹ in lakhs)	Percentage of Revenue from operations (%)
Top 1	8,182.28	16.97	8,066.75	16.68	9,986.26	22.09
Top 3	19,861.16	41.18	20,548.85	42.50	21,013.33	46.47

The deterioration of the financial condition or business prospects of these customers could result in a significant decrease in the revenues we derive from these brand owners. The reduction in the amount of business we obtain from our customers whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain or the economic environment generally, such as the COVID-19 pandemic, could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, in the event of loss of one or more set of customers on whom we are dependent for our business, we cannot assure you that we may be able to offset such loss of business by entering into contracts with new brand owners or our existing brand owners.

2. We rely on third parties for manufacturing some of our branded products i.e. Foxin ("Foxin Products"). If these third party manufacturers are unable or unwilling to manufacture our products, or otherwise fail to meet our requirements, our business will be harmed.

We obtain certain of our Foxin Products from third parties. We do not have long-term contracts with our vendors committing them to supply products to us. If our vendors are unable to manufacture our products in sufficient quantities and on a consistent basis, or if they are unwilling to produce those products for us, we may not be able to supply our products to our customers in a timely manner. For manufacturing of hearable and audio products (multi-media bluetooth speakers, tower speakers, portable speakers, headphones, true wireless stereo (TWS) and gaming headphones), IT hardware & peripherals (monitor, CPU cabinets, keyboards (wired and wireless), gaming keyboards (wired and wireless) and mouse (wired and wireless), mother board, solid state drive ("**SSD**"), uninterrupted power supply ("**UPS**"), switched mode power supply ("**SMPS**")), wearable products (smartwatch) and imaging products (compatible toner cartridges for printer), we have a multiple-source finished goods vendor and do not have any long-term supply contracts with them. Presently, we outsource the manufacturing of our certain Foxin Products to various vendors in China and India. If we were to experience a supply disruption, it could take an extended period of time to find and qualify an alternate vendor. In the event that any of our third-party vendors were to become unable or unwilling to continue to provide the products in our required volumes, we would need to identify and obtain acceptable replacement sources on a timely basis. There is no guarantee that we would be able to obtain such alternative sources of supply on a timely basis, if at all. An extended disruption in the supply of our products, especially any high sales volume product, could have a material adverse effect on our results of operations and may impact our financial condition.

Other risks associated with our reliance on third parties to manufacture these products include, reliance on the third party for regulatory compliance and quality assurance, misappropriation of our Company's intellectual property, limited ability to manage our product requirements. Moreover, if any of our third party manufacturer suffer any damage to their facilities, lose benefits under material agreements, experience power outages, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, our Company may experience significant business disruption. Further, in case of any delay or disruptions in the supply of products or components to us from our vendors arising from factors such as shortage of components, power supply outrages and supply chain issues primarily in China and India, our Company may experience significant business disruption. In the event of any such disruption, our Company would need to seek and source other qualified third party manufacturers, many result in further delays and increased costs which could affect our business adversely.

3. The products distributed by us of the brand owners are not owned by us and are sold pursuant to distribution agreements with them. These agreements with brand owners, inter alia, contain certain performance obligations and are also capable of being terminated. The termination or non-renewal of any of these agreements may have a material adverse effect

on our business and the result of operations.

We have entered into agreements with certain brands owners, pursuant to which we distribute defined set of products which includes IT peripherals, mobile accessories, consumables, surveillance products etc., in defined Indian territories. These agreements provide us with the non-exclusive rights to distribute these products. Since our agreements are on a non-exclusive basis, the brand owners are entitled to undertake the production, distribution or sale of the products and brand either themselves or appoint other third-party franchisees for these territories and sub-territories licensed to us. While we strive to enter into long term agreements with these brand owners, the tenure of our current agreements with them is between 1 year to 5 years. These agreements normally contain certain performance obligations to be observed by us including minimum purchase commitment. If we fail to honour or meet such performance obligations due to any reason whatsoever, such agreements may not be continued or renewed by the brand owners. If our agreements are not renewed or are renewed on the terms and conditions that are not favourable to us, our business, financial condition and results of operation may be adversely affected.

Further, these agreements also allow the brand owners to terminate such agreements with written notice. Termination of these agreements may be for a specified period or at any time upon the occurrence of certain events such as our inability to perform or observe any term and covenant contained in the agreements, insolvency, bankruptcy, liquidation or dissolution of our Company, issuance of an order for the attachment of the assets and property of our Company, substantial change in the control or management of our Company etc. Although, there have been no instances of disagreement with the brand owners or instances where the agreements were not renewed by them in the preceding three Fiscals. In the event that the brand owner(s) exercise their right to terminate such agreements and/or not to renew on the agreements on terms and conditions acceptable to us, it may have a material adverse effect on our business and result of operations.

4. We rely on our dealers for the sale and distribution of our Foxin Products and products of brand owners. If our dealers do not effectively sell or market our Foxin Products and products of brand owners, our business, results of operations and financial condition may be adversely affected.

We market, sell and distribute our Foxin Products and products of brand owners across India through dealers, retailers, third party e-commerce platforms and through our own website www.foxin.in. Accordingly, we rely on our dealers to sell our products. As of June 30, 2022, we sold our products in 28 states and 5 union territories through a network of 3,726 dealers of which 1,873 dealers are specifically dealing in our Foxin Products and 1,853 dealers are dealing in the distribution and sale of products of brand owners. Our ability to expand and grow our business significantly depends on the reach and effective management of our dealer's network. We continuously seek to increase our market penetration by appointing new dealers to ensure wide distribution network targeted at different consumer groups and regions. We cannot assure you that we will be able to successfully identify or appoint new dealers or effectively manage our existing distribution network. As we sell and distribute our Foxin Products and products of brand owners through such dealers, retailers and third party distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to maintain and establish relationships with our existing/ new dealers;
- inability to identify and appoint additional or replace dealers upon the loss of one or more of our dealer, in timely manner;
- failure to obtain timely payments from dealers;
- reduction, delay or cancellation of orders from one or more of our dealers; and
- disruption in delivering of our products by our dealers.

Further, we do not have any exclusive arrangements with our dealers, which allows them to engage with our competitors. We also compete with dealers of other electronic companies who may have greater brand recognition, financial resources and a broader product portfolio than we do. If our competitors provide greater incentives to our distributors and stockists, they may choose to promote products of our competitors which may adversely impact our sales.

5. *Failure to identify and understand evolving industry trends, preferences and to meet customers' demands may materially adversely affect our business.*

Apart from distribution we also manufacture products under our brand "Foxin". Changes in consumer preferences, regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies and our business and our results of operations may be adversely affected. We are also subject to the risks generally associated with new product and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the electronic industry, we must be able to produce new products to meet our customers' demand in a timely manner. Our failure to successfully produce new products could materially and adversely affect our results of operations.

6. *We are mainly dependent on imports for supply of our Foxin Products. Consequently, we are exposed to foreign currency fluctuation risk which may have an adverse effect on our business, result of operations and financial condition.*

While a substantial portion of our revenues is, and we expect in future will be, denominated in Rupees. We are exposed to foreign exchange rate risk on imported raw materials, components and products supplied by our vendors based out of India, which is mostly denominated in U.S. Dollars. Over dependence on imports may adversely affect our profitability. In case the trade relations of India with any of these countries get strained in the future or the suppliers face any sort of problems due to internal issues of their countries. Also, the exchange rate between the Indian Rupee and currencies of the countries from where the products are imported may fluctuate and adversely affect our results of operations. The exchange rate between the Indian Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. Any significant appreciation of the Indian Rupee against foreign currencies can fundamentally affect our competitiveness in the long term. As our Restated Financial Information are presented in Indian Rupees, any depreciation of the Rupee against the US Dollar will significantly increase the Rupee cost to us of servicing and repaying our foreign currency payables, which in turn could impact our results of operations.

Further, ₹21,106.05 lakhs, ₹28,308.59 lakhs and ₹22,623.72 lakhs of our invoice value of imported stock-in-trade were in foreign currencies, comprising U.S. Dollars, constituting 45.44%, 60.79% and 50.38% of our total expenses for the Fiscal 2022, 2021 and 2020, respectively. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Volatility in exchange rates and specifically any depreciation of the Indian Rupee against these foreign currencies may result in an increase in the cost of our products. We may not be able to pass on such increase in costs to our customers. Any of these risks could have an adverse effect on our business, results of operations and financial condition.

7. *We operate in an industry with several competitors and any increase in competition may lead to reduced prices, operating margins, profits and further result in loss of market share across product categories.*

We operate in an industry with several competitors, and face competition from domestic and international competitors. Our competitors include foreign brands, emerging Indian brands, Chinese OEMs and private labels of online marketplaces. We believe that we are able to remain competitive across the product categories that we offer. For further details, see "*Business — Description of Our Business — Competition*" on page 185.

Some of our existing and potential competitors may have greater brand recognition in India or globally, longer operating histories, greater financial, research, distribution and technological resources, product development, sales and marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Further, our competitors may have lower costs, or be able to offer lower prices and a larger variety of products, including products that have features similar to ours, in order to gain market share. If market prices are substantially reduced by our competitors in the respective markets, our business in those markets could be adversely affected. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers and distributors of our products, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products and services which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to offer better terms and discounts to our manufacturing partners. In addition, they may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete. Some of our competitors may have the ability to devote greater resources to the marketing, advertising and product endorsement. As a result, these competitors may be better equipped to influence consumer preferences or otherwise increase their market share. If we do not continue to distinguish our products through distinctive features, competitive pricing and design, as well as continue to build our brand recognition, we could lose market share and our revenues and profit could decline.

In order to remain competitive in the electronics industry, we may need to continue to invest resources in capital expenditure, research and development and sales and marketing. We cannot assure you that we will have sufficient resources to make these investments or that we will be able to make the technological advances necessary to be competitive. If we fail to effectively compete, including any delays in responding to changes in the industry and the market, we may also have to incur additional costs and expenses to conduct marketing campaigns, market research and investing in newer technologies and infrastructure to effectively compete. Increased competition could result in, among other things, a loss of our market share, price reductions, reduced demand for our products, reductions in revenues and reduced margins and profitability.

8. Our inability to procure the desired quality, quantity of our raw materials and components in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials and components at acceptable prices. Some of our raw materials and components include, *inter alia*, aux pin, connectors, solder wire, air filter, mic earphone, silicon buds. For further information, see "*Our Business –Raw Materials and Component Sourcing*" on page 181. We depend on external suppliers for all these raw materials and components required for the production of our products. Typically, we purchase raw materials and components on a purchase order basis and place such orders with the suppliers in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material and component suppliers. Absence of long-term supply contracts subject us to risks such as price volatility caused by various factors such as currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. As a result, we continue to remain susceptible to the risks arising out of raw material and component price fluctuations, which could result in a decline in our operating margins.

If we cannot fully offset increases in raw material and component prices with increases in the prices for our products, we will experience lower margins, which will have a material adverse effect on our results of operations and financial condition. In the absence of such contracts we are also exposed to the risk of unavailability of certain raw materials and components in desired quantities and qualities, in a timely manner or at all. Further, we rely on historical trends and other indicators to purchase the required quantities of raw materials and components. We, therefore, run the risk of purchasing more raw materials and components than necessary, which could expose us to risks associated with prolonged storage of some of these materials, and materially affect our results of operations.

9. Pricing pressure from customers may affect our gross margins and ability to increase our prices, which in turn may adversely affect our revenue from operations, profits and cash flows.

Consumer demand for our Foxin Products depends in part on its pricing. We differentiate certain of our Foxin Products based on their affordable pricing coupled with their quality. Our pricing depends on various factors, including the sales and promotional discounts we offer for our Foxin Products from time to time. We cannot assure you that we will be able to maintain our margins while offering discounts, or that our discounts will continue to attract consumer demand for our products.

Our inability to regularly grow our turnover and effectively execute our business plans and process could lead to lower profitability and may adversely affect our business results and financial conditions. Due to the nature of the products that we sell, we may not be able to charge higher margin on such products. Therefore, our business is heavily reliant on our ability to increase the turnover and manage our key processes including the procurement of traded goods, timely sales and order execution etc.

The pricing of our own products i.e. Foxin Products is determined based on the cost of manufacturing the product and other costs. The cost of our Foxin Products may increase in the future due to various factors, including factors beyond our control such as inflation. We cannot assure that, in the future, we would be able to the pass increased costs to our customers. Any inability to do so may adversely affect our business and results of operations.

10. Our Company requires significant amount of working capital for continuous growth. Our inability to collect receivables and default in payment from our dealers and inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business requires a substantial amount of working capital, primarily to finance our inventory. Moreover, we may need working capital for the manufacturing and expansion of our business. As per our trade practice, we require to pay to our certain vendors the part amount of consideration at the time of placing the order and part amount of consideration after the delivery of our consignment, as a result, significant amounts of our working capital are often utilised to finance the purchase of our products and raw materials from our vendors. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Any delay or default in processing our payments to our vendors in timely manner for the products, which they have manufactured on our behalf, our vendors shall choose to terminate their arrangements with our Company. Further, if we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

Our operations also involve extending credit for extended periods of time to our dealers in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, from our dealers. Our credit terms vary from 0 days to 45 days for our dealers. Our inability to collect receivables from our dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. In Fiscals 2022, 2021 and 2020, our trade receivables were ₹ 5,259.46 lakhs, ₹ 4,673.36 lakhs and ₹ 5,153.22 lakhs, respectively. Further, 1.16%, 0.99% and 1.81% of our trade receivables were pending beyond a period of 180 days in Fiscals 2022, 2021 and 2020, respectively. Our receivable turnover day was 40 days, 35 days and 42 days in Fiscals 2022, 2021 and 2020, respectively, and any increase in our receivable turnover days will negatively affect our business. Further, bad debts amounted to ₹ Nil, ₹ 48.27 lakhs and ₹ 17.62 lakhs in Fiscals 2022, 2021 and 2020, respectively. If we are unable to collect receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Our inability to obtain or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to pay our debts, could adversely affect our financial condition and results of operations.

11. We may face product refunds, recalls and returns, as well as product liability, warranty claims and legal proceedings if the quality of our products does not meet our customers' expectations or causes harm to customers in the future, which may adversely affect our business, reputation and results of operations.

Due to the nature of our business, we face a risk of our products containing quality issues, undetected errors or defects, especially when first introduced or when new models or versions are launched. These may result from the design or manufacturing of the product, or from the software or other components used in the product. We set internal quality standards and implement quality control processes across our business. For further details, see "*Business — Business Operations — Quality Standards and Assurance*" on page 183. However, we cannot assure you that we would be able to prevent or detect all quality issues in a timely manner or at all. Such quality issues may result in customers returning defective products to us for a cash refund or a replacement of their products during the warranty period of the products. Our standard warranty for Foxin Products is six months. We cannot assure you that the rate and cost of us providing refunds or replacements will not increase in the future. Increases in the rate of product returns may lead to customer dissatisfaction, which may adversely affect our reputation, brand image, business and financial condition. For further details, see "*Business — Description of Our Business — After Sales Service*" on page 184.

In addition, serious quality issues can expose us to product liability or recall claims in the event that our products fail to meet the required quality standards. We may face the risk of legal proceedings and product liability claims being brought against us by various entities including consumers, distributors and government agencies for various reasons including for defective products sold. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts, tribunals or other quasi-judicial authorities, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. While we have not have not face any legal proceedings with respect to product liability and recall in the past, we cannot assure you that we will not experience any material product liability losses or product recalls in the future or that we will not incur significant costs to defend any such claims, which could have an adverse effect on our business, financial condition or results of operations. A product recall or a product liability claim may also adversely affect our reputation and brand image, as well as entail significant costs in excess of our available insurance coverage.

12. We may not successfully protect our technical knowledge, which may result in the loss of our competitive advantage. Further, failure to maintain confidential information of our customers, any frauds, theft or embezzlement by our employees, suppliers, or dealers could adversely affect our results of operations and / or damage our reputation.

We possess extensive technical knowledge relating to our products. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights. As a result, we cannot be certain that our technical knowledge will remain confidential in the long-run. Certain technical knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential processes, product and customer information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we seek to enforce non-disclosure clauses in our employee agreements/ appointment letters, we cannot guarantee that we will be able to successfully enforce such agreements.

Our operations may be subject to incidents of theft. We may also encounter inventory loss on account of employee/ contractor/ dealer/ vendor fraud, theft, or embezzlement. While we have not have not face any of inventory loss on account of fraud, theft or embezzlement, we cannot assure you that we will not experience any such event in the future Although we have set up various security measures in our Manufacturing Facility such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over other companies could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

13. Our inability to expand or efficiently manage our distribution network may have an adverse impact on our business, results of operations and financial condition.

We have established an extensive distribution network. As of June 30, 2022, our distributor network comprised of 3,726 dealers of which 1,873 dealers specifically deal in our Foxin Products and 1,853 dealers deal in the distribution and sale of products of brand owners. For further details of our distribution network, see "*Our Business*" on page 163. During the Fiscal 2022, our Company has generated revenue of ₹48,010.65 lakhs through offline sales and ₹214.07 lakhs through online sales. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new dealers targeted at different customer groups and geographies. We cannot assure you that we will be able to successfully identify or appoint new dealers or effectively manage our existing dealer's network. If the terms offered to such dealers by our competitors are more favourable than those offered by us, dealers may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement dealers in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our results of operations.

Further, our competitors may have access to a wider base of dealer than us, or have exclusive arrangements with certain dealers who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. We typically do not have exclusive arrangements with our dealers and while we offer them certain incentive schemes to sell our products, we may not be able to effectively implement them across our distribution network. Similarly, our competitors may adopt innovative distribution models, which could be more effective than traditional distribution models resulting in a reduction in the sales of our products. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by dealers of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. In addition, failure to provide dealers with sufficient inventories of our products may result in a reduction in the sales of our products. If our dealers fail to distribute our products in a timely manner, our business and results of operations may be affected.

14. *Our business is concentrated in the hearable and audio products, IT peripherals and mobile accessories category as well as to a lesser extent the wearables and imaging category, and variations in consumer demand as well as market sentiment for these product categories could adversely affect our business, results of operations and financial condition.*

Our business is concentrated in the hearable and audio products, IT peripherals and mobile accessories category as well as to a lesser extent the wearables and imaging category. We may be susceptible to changes in consumer demand as well as market sentiment for and within the hearable and audio products, IT peripherals, mobile accessories, wearables products and imaging products in general. Further, the growth of our business is dependent upon the growth in the market for the kind of products we offer. Stagnancy or a decrease in the market for the kind of products we offer could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that demand for our hearable and audio products, IT peripherals, mobile accessories, wearables products and imaging products will continue at current levels in the future, or that if demand for such product categories decreases, that we would be able to pivot to alternative product categories. Any decline in the sales of our hearable and audio products, IT peripherals, mobile accessories, wearables products and imaging products may adversely affect our business, results of operation and financial condition.

15. *Any reduction in the demand for our Foxin Products and OEM's could lead to underutilisation of our manufacturing capacity. We may also face surplus production of a particular product due to various reasons including inaccurate forecasting of customer requirements, which could adversely affect our business, results of operations, financial condition and cash flows.*

Our customers might not place any order or might even cancel existing orders. Cancellations, of orders by our customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand of our products could reduce our ability to estimate accurately future customer requirements and make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also require us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our Manufacturing Facility could adversely affect our business, results of operations, financial condition and cash flows.

16. *Our success depends upon our ability to formalise and operationalise effective business and growth strategy. Our inability to manage our business and growth strategy could have a material effect on our business, financial condition and results of operations*

We have experienced significant growth over the past three years. Our EBITDA has grown from ₹1,081.39 lakhs in Fiscal 2020 to ₹2,389.76 lakhs in Fiscal 2021 and was ₹2,369.28 lakhs in Fiscal 2022. While our profit after tax was ₹333.01 lakhs in Fiscal 2020, ₹1,624.96 lakhs in Fiscal 2021, ₹1,538.66 lakhs in Fiscal 2022. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth depends, amongst other factors, on increasing / expanding customer base across India, increasing manufacturing capacity, optimizing capacity utilization levels, increasing sales of our products and improving operational efficiency. This growth strategy will place significant demands on our management, financial and other resources. Our ability to achieve growth will be subject to a range of factors, including, ability to identify trends and demands in the industry; competing with existing companies in our markets; continuing to exercise effective quality control; recognition of our brand in the new regions; hiring and training qualified personnel; and ability to transport our finished products efficiently. Many of these factors are beyond our control, such as, operating restrictions/ lockdown consequent to outbreak of infectious diseases, like the COVID-19 pandemic. There can be no assurance that we will succeed in implementing our strategy. We face increased risks when we enter new markets in India. We may find it difficult to hire, train and retain qualified employees. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards and distributors with efficient distribution networks. As a result, the products that we manufacture, may be more expensive to produce and/or distribute and may take longer to reach expected sales and profit levels, which could affect the viability of these operations or our overall profitability.

Our ability to manage future growth will depend on our ability to continue to implement and improve operational, technological, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

17. *We are dependent on third party transportation and logistics providers. Any disruption in logistics and transportation or significant increase in freight charges could adversely affect our business, financial condition and results of operations.*

Our success depends on the timely supply and transport of various products of brand owners and raw materials and components required for our Manufacturing Facility and of our finished products from our Manufacturing Facility to our customers, warehouses and dealers, which are subject to various uncertainties and risks. Any shortage / non availability of transport suppliers in our vicinity will led to delay delivery of our products. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, customers and suppliers. In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing, which could adversely affect our business and results of operations.

In addition, any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected dealers. We may also be affected by an increase in fuel costs, which would have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight and handling charges were ₹413.80 lakhs, ₹376.72 lakhs and ₹188.67 lakhs, in Fiscals 2022, 2021 and 2020, respectively, and represented 0.86%, 0.78% and 0.42% of our revenue from operations in such periods. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

Transportation strikes may have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Failures to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and may damage our relationships with our affected customers. An increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our customers may have an adverse effect on our profitability and results of operation.

18. Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.

The estimations on the demands of our products are typically based on our projections, inventory levels at our distribution networks, our understanding of the anticipation of consumption and spending by our consumers. If we overestimate demand for our products, we may face difficulty in storage of such products due to the changing preferences of the customers. Our average inventory days were 9 days, 43 days and 44 days in Fiscals 2022, 2021 and 2020, respectively, and any growth in connection with our manufacturing business, our Company will require to increase our inventory days. Further, if we are unable to provide our products to our consumers due to any disruptions of our Manufacturing Facility or shortage of raw materials, we may incur the risk losing customers to our competitors. While we closely monitor our inventory requirements for our product, we may be exposed to various other risks including the aforementioned risks. All of these factors could adversely affect our reputation, business, results of operation and our financial performance.

19. Significant disruption of our information technology system or breaches of data security could adversely affect our business.

Our business is dependent upon complex and interdependent information technology systems, including internet-based systems, to support business processes, sales and marketing as well as internal and external communications. Our ability to operate and remain competitive may depend, in part, on our ability to maintain and upgrade our information technology systems in a timely and cost-effective manner. we have integrated our processes with our ERP System Microsoft Dynamics NAV 2016 ("**ERP System**"). The ERP System is hosted at servers installed in our Registered and Corporate Office with Unified Threat Management System (UTM) comprising of Physical Hardware Firewall and Antivirus Software. Our ERP System has different modules including financial accounting, raw material management, sale and distribution, production planning knowledge management, personnel management and sales which is customised for our operating needs. The ERP System is integrated with API(s) to generate the IRN QR code for the invoices and also e-way bills helping us achieve transparency of transactions. The ERP System is securely accessible through VPN tunnelling to our sales and marketing team across India, thus providing real time accurate data and enhanced control in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to dealers, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reducing lead time and manage our distribution network.

Our reliance on our information technology systems may render us vulnerable to network disruptions, breakdowns, malicious intrusions or computer viruses. Most of our systems are hosted on third-party cloud systems with in-built high-availability and disaster-recovery mechanisms. Although we have not experienced any significant disruptions to our information technology systems or security breaches of third-party cloud facilities in the past, we cannot assure you that we will not encounter such disruptions or breaches in the future.

In the future, it may be possible that unauthorized individuals could improperly access our systems, or improperly obtain or disclose sensitive data that we process or handle. If any actual or perceived breach of security occurs in our websites, our reputation and brand image could be harmed. In addition, the economic costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software systems and security vulnerabilities could be significant and may be difficult to anticipate or measure. Because the techniques used by computer programmers and hackers to access or sabotage networks change frequently and generally are not recognized until after they are used, we may be unable to anticipate or immediately detect these techniques. This could impede our sales, manufacturing, distribution or other critical functions, which could adversely affect our business. Further, data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including but not limited to sensitive financial and personal information) of our customers, distributors, suppliers, business partners or employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business, reputation, profitability and results of operations.

20. We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.

The financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. As of June 30, 2022, we had outstanding indebtedness of ₹4,922.88 lakhs. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, (a) any scheme of merger, amalgamation, restructuring, compromise or dissolution, (b) permit or effect any direct or indirect change in the legal or beneficial ownership or control, (c) Change in our Company's Memorandum or Articles of Association, and (d) effect any material change in the management of the business of our Company.

While we have received all relevant consents required for the purposes of this Offer and have complied with these covenants, a failure to comply with such covenants in the future may restrict or delay certain actions or initiatives that we may propose to take from time to time. While we have not defaulted on any covenants in financing agreements in the past, we cannot assure you that this will continue to be the case in the future. A failure to observe the covenants under our financing arrangements or to obtain necessary consents/ waivers, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements, that include, among others, acceleration of amounts due under such facilities, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, (further financing. For further information on our borrowings, see "*Financial Indebtedness*" on page 283.

21. Changes in technology may render our current technologies obsolete or require us to incur substantial capital expenditure.

Our industry rapidly changes due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our technologies become obsolete, and we are unable to effectively introduce new products or processes, our business and results of operations could be adversely affected. Although we strive to keep our technology, facility and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in market demand, which may require us to incur substantial capital expenditure. The cost of implementing new technologies and upgrading our Manufacturing Facility could be significant. If our competitors introduce superior technology and we cannot make enhancements to ours to remain competitive, either because we do not have the resources to continually improve our technology or for any other reason, our competitive position, and in turn our business, results of operations and financial condition may be adversely affected.

22. Our plans to expand into overseas market subject us to various business, economic, political, regulatory and legal risk.

We intend to expand our operations into overseas markets, which we believe have a large Indian diaspora and / or a population with similar tastes and preferences as the audience in India. For further details, see "*Business — Our Strategies — Targeting new customers by increasing our presence in domestic markets and building our* *presence in international markets*" on page 172. We do not possess our own network of distributors and retailers in overseas market. The expansion and entry into overseas markets may require significant management attention and financial resources. Our overseas operations are subject to inherent risks, including, but not limited to:

- entry barrier and difficulties in establishing brand recognition;
- uncertainties in cooperation with new local business partners, including distributors, logistics and transportation partners;
- inability to adapt to consumers' preferences and local trends;
- exposure to tariffs, duties or other government costs and actions arising from trade restrictions;
- increased costs related to marketing our products;
- start-up costs related to establishing offices, infrastructure and services;
- longer accounts receivable collection periods and greater difficulty in accounts receivable collection due to lower bargaining power in a less familiar market;
- potential foreign exchange and repatriation controls on foreign earnings, exchange rate fluctuations and currency conversion restrictions;
- the burden of complying with a variety of foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and regulations and unexpected changes in the legal and regulatory environment, including changes to import and export regulations;
- increases in distribution and transportation costs;
- uncertainty regarding liability for products;
- difficulties and costs of staffing and managing multiple multinational operations;
- reduced protection for intellectual property rights in some jurisdictions, at a reasonable cost or at all;
- potentially adverse tax consequences, including tax consequences which may arise in connection with intercompany pricing for transactions between separate legal entities within a group operating in different tax jurisdictions;
- challenges caused by distance, language and cultural differences, and by commencing business relationship with foreign partners, foreign agencies and governments; and
- political and economic instability including potential for political unrest, war or acts of terrorism in countries in which we operate.

We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Further, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. We may not be able to compete with such companies if we are unable to offer competitive products at better price points which appeal to consumers in such markets. If we are unable to successfully build our brand reputation and revenues in our target overseas markets, it may limit our ability to grow our business.

23. We rely extensively on our operational support systems, including on our information technology systems to manage our supply chain, procurement process, logistics and other

integral parts of our business, failure of which could adversely affect our business, financial conditions and results of operations.

The importance of information technology systems to our business is paramount. We are reliant on our information technology systems in connection with order booking, procurement of raw materials, accounting, production and distribution. Furthermore, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems. These IT systems are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. Any failure in our information technology systems could result in business interruption, and could have a material adverse effect on our financial condition and results of operations.

24. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our growth and operations.

We may require additional funds in connection with future business expansion and development initiatives. In addition to the net proceeds of this offering and our internal accruals, we may need other sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions. If we decide to raise additional funds through the issuance of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financing could cause our debt to equity ratio to increase or require us to create additional charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our future growth and operations.

25. There are outstanding litigation proceedings against our Company, Promoter and our Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings against our Company, Promoter and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Material Developments*" on page 286) involving our Company, Directors, employees (in their capacity as employees of our Company) and Promoter:

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material civil litigations*	Aggregate amount involved (₹ in lakhs)**
Company						
By our Company	36	-	-	-	-	207.28
Against our Company	1	11	-	-	-	1,116.33
Directors (other than Promoter)						
By our Directors	-	-	-	-	-	-

Name of the Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material civil litigations*	Aggregate amount involved (₹ in lakhs)**
Against our Directors	-	-	-	-	-	-
Promoter						
By our Promoter	-	-	-	-	-	-
Against our Promoter	1[#]	1	-	-	-	24.78

**In accordance with the Materiality Policy.*
***To the extent quantifiable.*
[#]This is included under criminal proceedings against our Company.

There can be no assurance that these legal proceedings will be decided in our favour. We cannot assure you that there will not be any additional liability that may arise out of these proceedings. Such additional liability could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities may have an adverse effect on our business, results of operations and financial condition. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 291.

26. *We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.*

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Our Chairman and Managing Director, our Directors and several of our key managerial personnel have extensive experience in the electronics sector. Our success and ability to meet the continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our experienced sales team has also developed a number of dealer relationships that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. As of June 30, 2022, we had 637 permanent employees. In the Fiscal 2022, Fiscal 2021 and Fiscal 2020, our attrition rates were 5.52%, 4.88% and 5.71%, respectively. We cannot guarantee that we will be able to recruit and retain qualified and capable employees. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees.

27. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial conditions and results of operations.*

We regularly need to renew permits and approvals in relation to our existing business operations. Also we need to obtain new permits and approvals for any proposed expansion of our business operations, as may be required under the applicable laws of the sector or region that we are expanding in. There can be no assurance that relevant authorities will renew or issue any of such permits or approvals in the time-frame anticipated by us or at all. Our failure to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Compliance with many of the regulations applicable to our operations may involve incurring significant costs and otherwise may impose restrictions on our operations. We cannot assure you that we will not be subject to any adverse regulatory action in the future. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and the business of our Company could be adversely affected. We have not experienced any instances of failure to comply with such regulations, which resulted in enforced shutdown and other sanctions being imposed by relevant authorities, and there has been no instances of withholding or delay in receipt of regulatory approvals during the Fiscal 2022, 2021 and 2020. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of the terms and conditions stipulated under any of our licenses or permits, one or several of our licenses and certificates may be suspended or cancelled and we shall not be able to carry on the activities permitted thereunder. For further information, see "*Government and Other Approvals*" on page 291**.**

28. If we are unable to obtain, maintain and enforce intellectual property protection for our technology and solutions, others may be able to develop and commercialize technology and solutions substantially similar to ours, and our ability to successfully commercialize our technology and solutions may be compromised.

Our business depends on proprietary technology and content, including software, processes, databases, confidential information and know-how, the protection of which is crucial to the success of our business. As on the date of this Draft Red Herring Prospectus, our Company has 2 trademarks registered under class 9 with the Registrar of Trade Marks under the Trade Marks Act, 1999. This includes our logo foxin appearing on the cover page of this Draft Red Herring Prospectus being registered with the Registrar of Trade Marks under class 9. Further, our Company has filed 7 applications for registration of trademarks under the Trade Marks Act, 1999, which are currently pending at various stages. We may, over time, increase our investment in protecting our intellectual property through additional trademark, copyright and other intellectual property filings, which could be expensive and time-consuming. Moreover, our failure to develop and properly manage new intellectual property could hurt our market position and business opportunities. With respect to the trademarks that have been applied for and/or objected or opposed, our Company may not be able to prevent infringement of its trademarks and a passing off action may not provide sufficient protection until such time that these registrations are granted and it is possible that third parties may copy or otherwise infringe on the rights of our Company, which may have an adverse effect on its business, results of operations, cash flows and financial condition. While we have not experienced any instances of any adverse observations with respect to intellectual property rights due to which manufacture and sales of our product was restricted or prohibited. Further, there have been no such instances resulting in an inability to renew registration of certain trademarks in the past three years which have had adversely affected our business, financial condition, results of operations and cash flows. In the event that there is an adverse claim or judgment passed against our Company in the future in relation to the trademarks, our Company may be unable to use the brand name or derive the benefits associated with the goodwill of the brand name, which could have a material adverse effect on our business, financial condition and results of operations. For further details on our trademark registrations, please see "*Government and Other Approvals*" on page 291.

29. Our historical installed capacities and capacity utilisation of our Manufacturing Facility included in this Draft Red Herring Prospectus need not be an indication of future production capacity and capacity utilisation. Further, our existing capacities are under-utilised.

The historical installed capacities and capacity utilization of our Manufacturing Facility included in this Draft Red Herring Prospectus is based on various factors, including existing operational needs, availability of raw materials, potential plant utilization levels, downtime resulting from scheduled maintenance activities, demand of our products, unscheduled breakdowns, as well as other factors affecting operational efficiencies. However, there can be no assurance that the entire capacity will be available to us at all times or that actual production levels and utilisation rates will bear resemblance or be in line with historical performance. Our future production levels may therefore vary significantly from the historical data.

Our capacity utilisation was 15.00%, 24.57% and 16.08% for financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, respectively *(Source: Certified by Jayanta Dutta, Chartered Engineer vide its certificate dated August 5, 2022).* Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term could materially and adversely impact our business, growth prospects and future financial performance. Therefore, undue reliance should not be placed on our installed capacity and historical capacity utilization information for our Manufacturing Facility included in this Draft Red Herring Prospectus. For further information, see "*Our Business*" on page 163.

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

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details on our related party transactions, see "*Financial Statements – Restated Financial Statements – Note 36 – Information on Related Party Transactions as required by Ind AS-24 for the year ended March 31, 2022*" on page 245.

Details of related party transactions entered into by us during the Fiscals 2022, 2021 and 2020, are as follows:

(₹ in lakhs)

Particulars	**Nature of Transaction**	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Rajendra Seksaria	Remuneration#	122.00	192.00	84.00
	Interest	-	0.33	-
Rajendra Seksaria (HUF)	Interest	0.75	2.45	-
	Rent	12.60	-	-
Dinesh Bajaj	Remuneration	19.80	33.30	18.10
Sanjay Bajaj	Remuneration	16.63	15.48	15.16
Sangeeta Seksaria	Salary#	23.20	20.00	9.32
Harshika Seksaria	Interest	0.59	0.22	-
Utkarsrsh Seksaria	Salary#	4.90	-	-
Shailendra Kumar Seksaria	Salary	6.60	8.73	9.70
Venkatesh International Exim Private Limited	Office Rent	20.89	28.45	19.80
	Interest	1.05	7.59	6.74
	Sale of assets	23.54	-	-
Nidhi Dubbey	Sitting Fee	-	-	0.63
Pradip Sen	Sitting Fee	-	-	0.63
Divya Awasthi	Sitting Fee	-	-	0.35
Sidharth Awasthi	Salary	-	-	5.61
Rajni Dalmia	Professional Fee	0.40	-	-

#The aforesaid amount includes NPS, but does not includes gratuity as amount is not determinable.
Note: During the year ended no amounts written off and written back from/ to related parties.

31. We have certain contingent liabilities which, if materialised, may affect our financial condition.

As at March 31, 2022, we had certain contingent liabilities, as set out in the table below:

(₹ in lakhs)

Particulars	**As at March 31, 2022**
Customs	-
Value added tax	105.90
Central sales tax	0.01
Income tax	941.33
Entry tax	-
Goods and service tax	23.16
Total	**1,070.40**

Notes:

iii. *For the assessment year 2020-21, the Assistant Director of Income Tax, had raised a demand of ₹398.64 lakhs vide order dated August 6, 2021. On May 17, 2022, the Centralised Processing Center has reduced the demand to ₹21.42 lakhs. The Company is of the view that demand has been raised erroneously and had filed rectification with the Income Tax Department to contest the demand raised.*

iv. *One of the customer of the organisation has filed a commercial suit against the Company. In response to the same, the Company has filed a counter claim and the matter is subjudice before Commercial Court, Rohini, Delhi.*

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have an adverse effect on our business, financial condition, cash flows and results of operations. For further details, see "*Financial Information*" beginning on page 227.

32. Our Group Company have conflict of interest as it is engaged in similar business and may compete with us.

Our Group Company namely, Venkatesh International Exim Private Limited is engaged in the similar line of business, as of our Company. For further details see, "*Group Company*" on page 224. Further, we have not entered into any non-compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests' conflict. In cases of conflict, our Promoter may favour other companies/entities in which our Promoter has interest. There can be no assurance that our Promoter or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours.

33. Our insurance coverage may not be adequate to cover all losses or liabilities that we may incur in our business and operations.

Our operations are subject to various risks inherent in manufacturing and distribution of IT peripheral & mobile accessories industry as well as fire, theft, earthquake, flood, acts of terrorism and other events beyond our control. We maintain insurance policies customary for our industry to cover certain risks, including standard fire and special perils, burglary, marine insurance policy. Our insurance policies cover our inventory, and property, plant and equipment ("insurable assets"). As of March 31, 2022, 2021 and 2020 the aggregate coverage of the insurance policies obtained by us was ₹ 11,738.95 lakhs, ₹ 8,289.06 lakhs and ₹ 6,516.11 lakhs, which constituted 25.26%, 31.43% and 36.88% of our total insurable assets , respectively. We have not experienced any instances wherein the claims have exceeded insurance coverage for any of the Fiscal 2022, 2021 and 2020. For further information, see "*Our Business – Insurance*" on page 184.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could harm our financial condition, business and future results of operations. We cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all risks to which we may be subject. However, in some cases, we may not have obtained the required insurance coverage or such insurance policies may have lapsed. In addition, our insurance policies may not continue to be available on reasonable terms, at economically acceptable premiums, or at all. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage.

34. We do not have documentary evidence for the educational qualification and experience of our Promoter and one of our Director.

According to the SEBI ICDR Regulations, brief profiles of the Promoter, Directors and Key Managerial Personnel are required to be included in the chapter titled, "*Our Management*" and "*Promoter and Promoter Group*" on pages 200 and 220, respectively, of the Draft Red Herring Prospectus. Our Promoter, Chairman and Managing Director, Rajendra Seksaria and Whole-time director, Dinesh Bajaj are unable to trace certain documents supporting the information included in the biographies pertaining to the educational qualifications. Such details are supported by affidavits executed by our Promoter, Chairman and Managing Director, Rajendra Seksaria and Whole-time director, Dinesh Bajaj, certifying the authenticity of the information provided by each of them.

35. Our Promoter and Promoter Group will continue to retain significant control in our Company, which will allow them to influence the outcome of matters submitted to shareholders for approval.

As of the date of this Draft Red Herring Prospectus, our Promoter and Promoter Group hold 99.99% of pre-Issue share capital of our Company. Furthermore, after the completion of this Issue, our Promoter will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid up equity share capital of our Company. As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company.

36. Shortage or non-availability of essential utilities such as electricity could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our business operations are heavily dependent on continuous supply of electricity which is critical to our manufacturing operations. While our power requirements are met through local state power grids. we cannot assure you that these will be sufficient and/ or, that we will not face a shortage of electricity despite these arrangements. Further, any shortage or non-availability of electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. If such shut-downs are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

37. Our Promoter, certain Directors and Key Managerial Personnel are interested in the Company's performance in addition to their remuneration and reimbursement expenses.

Our Promoter, certain Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration, benefits and reimbursement of expenses. Such interests are to the extent of their shareholding in our Company as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares and their rights to nominate directors on our Board pursuant to such shareholding, amongst others. Further, our Promoter and Promoter Group will, after the Offer, continue to hold a significant stake in our Company. We cannot assure you that our Promoter, Directors and our Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Promoter or Directors or Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoter and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*", "*Our Promoter and Promoter Group*" and "*Financial Statements*" on pages 200, 220 and 227, respectively.

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

We intend to use the Net Proceeds for the purposes described under the "Objects of the Offer" on page 95. The Objects of the Offer comprise (a) funding incremental working capital requirements of our Company, and (b) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further our Objects of the Offer have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who not agree to such proposal to vary the Objects of the Offer, in accordance with applicable law.

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

In addition, as the Offer includes an offer for sale of Equity Shares by the Selling Shareholders, the proceeds from the Offer for Sale will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see "*Dividend Policy*" on page 226 of this Draft Red Herring Prospectus.

40. Our branch offices (some of which are also used as warehouses and service centres) are not owned by us and we have only lease or leave and license rights over them. In the event we lose such rights, our business, financial condition and results of operations and cash flows could be adversely affected.

Certain premises used by our Company have been obtained on a leave and license basis, which includes our branch offices (some of which are also used as warehouses and service centres). As of June 30, 2022, we had 27 branch offices (some of which are also used as warehouses and service centres) in India. We cannot assure you that we will be able to renew our lease agreement or leave and license agreements or enter into new agreements in the future, on terms favourable to us, or at all. In the event that any lease agreement or leave and license agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated office will be as commercially viable.

If a lease agreement or the leave and license agreement is terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected. Further, if the vacated property is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see "*Our Business – Property*" on page 185.

41. We will not receive any proceeds from the Offer for Sale. The Selling Shareholder will receive the entire proceeds from the Offer for Sale.

The Offer includes a Fresh Issue and an Offer for Sale of Equity Shares by the Selling Shareholder. While our

Company will receive the entire proceeds from the Fresh Issue, the entire proceeds from the Offer for Sale will only be paid to the Selling Shareholder and we will not receive any such proceeds.

42. *Industry information included in this Draft Red Herring Prospectus has been derived from industry report prepared by Fitch Solutions exclusively commissioned and paid for by us in connection with the Offer. There can be no assurance that such third party statistical, financial and other industry data in the Draft Red Herring Prospectus may be complete or reliable.*

We have availed the services of an independent third party research agency, Fitch Solutions, appointed by us pursuant to the engagement letter dated June 1, 2022, to prepare an industry report titled "*Indian Electronics Industry"* dated August 1, 2022 ("**Fitch Solutions Report**"), that has been exclusively commissioned and paid for by us, for purposes of inclusion of such information in this Draft Red Herring Prospectus. A copy of the F&S Report is available on the website of our Company in compliance with applicable laws. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

43. *Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA have been included in this Draft Red Herring Prospectus. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, net debt etc., have been included in this Draft Red Herring Prospectus. These non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

44. *Any violation of the Metrology Act and the Metrology Rules by us may lead to fines and penalties, or seizure and forfeiture of our products which could adversely affect our business.*

All of our packaged products are required to comply with the standards of weight, measurement and numbers prescribed under the Metrology Act and the Metrology Rules. For details, see "*Key Regulations and Policies*" on page 186. If we fail to comply with such standards, or fail to obtain a license from the respective controller as mandated under the Metrology Act, or fail to obtain the verification of weights and measures by the government approved test centers under the Metrology Act, fines and penalties may be imposed on us. For further information, see "*Government and Other Approvals*" on page 291. In addition, there could be seizure and forfeiture of our products, which could adversely affect our operations.

EXTERNAL RISK FACTOR

45. *The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.*

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our consumers, distributors, retailers and suppliers, which could adversely affect our business, financial condition, future cash flows and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers, and those of our respective distributors, retailers, vendors and suppliers. While government-certified treatment and vaccines are available, there is currently medical uncertainty regarding COVID-19 and there is no assurance that the vaccination process shall be completed in India in a timely manner or that the vaccines shall be effective. Presently, certain countries have reinstated lockdown conditions due to a "third wave" of the COVID- 19 outbreak and the discovery of new strains of the coronavirus, and the Central Government and State Governments may reinstate complete lockdown conditions or impose additional restrictions. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices, and we may take further actions as may be required by government authorities or steps on what we believe would be in the best interests of our employees, consumers and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

46. *Changing laws, rules and regulations and legal uncertainties, adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and is subject to change. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules or regulations and policies applicable to us and our business could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The application of various tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. Any future amendments may affect our benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the

Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

Additionally, the GoI has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits, old age protection, under schemes framed under the Social Security Code from time to time. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws have the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

Further, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

47. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

We are incorporated under the laws of India and all our Directors reside in India. All our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the "**CPC**").

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States and Canada have not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court will enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered pursuant to the execution of such foreign judgment.

48. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend in our 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. Any capital gain realised on the sale of listed Equity Shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction tax ("**STT**") is 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 GoI under notification no. 43/2017/F. No. 370142/09/2017- TPL on June 5, 2017. 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 immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realised on the sale of listed Equity Shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India.

STT is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification) and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off-market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2020 ("**Finance Act**"), passed by the Parliament of India stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders and such taxes will be withheld by the Indian company paying dividends. Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

The Government of India had announced the union budget for Fiscal 2023 and the Finance Bill, 2022 ("**Finance Bill**") had been introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received assent of the President of India on March 30, 2022 and became the Finance Act, 2022 ("**Finance Act 2022**"). We cannot predict whether any amendments made pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Historically, 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. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

49. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on 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 Exchanges. 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 taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

50. *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, could adversely affect our results of operations, cash flows or financial condition. Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. 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.

51. *Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, (i) the economic downturn in the U.S. and several European countries during a part of Fiscals 2008 and 2009 adversely affected market prices in the global securities markets, including India; and (ii) Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, share-holders' equity and the price of our Equity Shares.

52. We may be affected by competition laws and any adverse application or interpretation of the Competition Act could adversely affect our business and activities.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

53. The political and economic changes in India may adversely affect our business, financial performance and prospects.

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. These external risks include:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;

- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;

- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;

- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;

- downgrading of India's sovereign debt rating by rating agencies; and

- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies it may have a material adverse impact on our business, financial condition, results of operations and prospects.

54. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our development and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

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

The Restated Financial Information have been prepared from the audited restated financial statements of our Company as at and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "**Ind AS**"). Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Information were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

RISK FACTORS RELATED TO OUR EQUITY SHARES

57. The Equity Shares have never been publicly traded and we cannot be certain that an active trading market for the Equity Shares will develop or be sustained after this offering, and, following the offering, the price of the Equity Shares may fluctuate significantly, which could cause you to suffer substantial losses.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, we cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may trade after the offering. The Offer Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Offer.

If purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the initial public offering price. We cannot assure you that the initial public offering price of the Equity Shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our Equity Shares that may have occurred from time to time prior to our initial public offering. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including: developments with respect to the spread or worsening of the COVID-19 pandemic; the impact of COVID-19 on our business operations and our ability to be able to service clients, and the consequential impact on our operating results; actual or anticipated fluctuations in our operating results; announcements about our earnings that are not in line with analyst expectations; the public's reaction to our press releases, other public announcements and filings with the regulator; significant liability claims or complaints from our clients; changes in senior management or key personnel; macroeconomic conditions in India; fluctuations of exchange rates; the operating and stock price performance of comparable companies; changes in our shareholder base; changes in our dividend policy; issuances, exchanges or sales, or expected issuances, exchanges or sales; changes in accounting standards, policies, guidance, interpretations or principles; and changes in the regulatory and legal environment in which we operate; or market conditions in the construction and development industry and the domestic and worldwide economies as a whole, including in relation to the COVID-19 crisis.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our business, results of operations and financial condition.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior regulatory approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the consolidated FDI policy circular of 2020 dated October 15, 2020, issued by DPIIT, 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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 337.

59. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

60. The requirements of being a publicly listed company may strain our resources.

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

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

62. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Manager is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 104 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures— Price information of past issues handled by the BRLMs (during the current financial year and the two financial years preceding the current financial year)*" beginning on page 301. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

63. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor.

64. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

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

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises details of the Offer.

Offer of Equity Shares	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Employee Reservation Portion(7)	Up to [●] Equity Shares aggregating up to ₹[●] lakhs
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] lakhs
Of which:	
Fresh Issue(1)*	Up to [●] Equity Shares aggregating up to ₹ 12,000.00 lakhs
Offer for Sale(2) by the Selling Shareholders	Up to 75,00,000 Equity Shares aggregating up to ₹ [●] lakhs
The Offer consists of:	
A. QIB Portion(3) (4)	Not less than [●] Equity Shares
Of which	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
(a) Mutual Fund Portion (i.e., 5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance of Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Portion (5) (6)	Not more than [●] Equity Shares
C. Retail Portion(6)	Not more than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	6,00,00,000 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of this Offer	See "*Objects of the Offer*" on page 95 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

**Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹ 2,400.00 lakhs. If the Pre-IPO Placement is completed, the size of the Fresh Issue will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

(1) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on June 3, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated June 30, 2022. Further, our Board has taken on record the consent of the Selling Shareholders by a resolution of our Board dated July 26, 2022.*

(2) *Each of the Selling Shareholder, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus, and are eligible for being offered for sale in the Offer in terms Regulation 8 of the SEBI ICDR Regulations. For details, see "Offer Procedure - Undertakings by the Selling Shareholders" beginning on page 335. The Selling Shareholders, has confirmed and authorised its participation in the Offer for Sale as set out below*:

S. No.	Selling Shareholders	Number of Equity Shares offered in the Offer for Sale	Aggregate amount of Offer for Sale (up to) (in ₹ lakhs)	Date of consent letter
1.	Rajendra Seksaria	15,00,000	[●]	July 16, 2022
2.	Rajendra Seksaria HUF	60,00,000	[●]	July 16, 2022

(3) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 317.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. In the event of an under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by the Selling Shareholders, and thereafter, towards the balance Fresh Issue. For further details, please see section "Offer Procedure" on page 317.*

(5) *Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹2,00,000 and up to ₹10,00,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹10,00,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion.*

(6) *Allocation to Bidders in all categories, except the Retail Portion and Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The Allocation to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. The allocation to each Non-Institutional Investor shall not be less than ₹2,00,000, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis*

(7) *In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. Our Company in consultation with the BRLMs, may offer a discount of ₹[●] per Equity Share to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / offer Opening Date.*

For further details, see "*Offer Procedure*" beginning on page 317. For details, including in relation to grounds for rejection of Bids, please see section *"Offer Structure"* and *"Offer Procedure"* on page 312 and 317, respectively. For details of the terms of the Offer, please see the section *"Terms of the Offer"* on page 306.

SUMMARY OF FINANCIAL INFORMATION

The Summary financial statements presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 227 and 254, respectively.

Summary of Restated Financial Statement of Assets and Liabilities

(₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Assets				
Non-Current Assets				
Property, plant and equipment		2,965.22	2,605.09	2,403.38
Right of use assets		299.34	349.22	455.29
Capital Work in progress		-	78.65	-
Financial Assets				
(i)	Investments	-	-	-
(ii)	Other financial assets	105.11	88.15	148.08
Other non-current assets		373.58	597.40	487.42
Total non-current assets		**3,743.25**	**3.718.51**	**3,494.17**
Current Assets				
Inventories		5,159.47	5,994.79	3,958.89
Financial Assets				
(i)	Trade Receivables	5,259.46	4,673.36	5,153.22
(ii)	Cash and cash equivalents	13.53	10.52	7.22
(iii)	Other bank balances	665.21	835.72	862.43
(iv)	Other financial assets	-	-	-
Income tax assets (net)		110.53	-	241.55
Other current assets		1,020.11	759.89	898.79
Total current assets		**12,228.31**	**12,274.28**	**11,122.10**
Total Assets		**15,971.56**	**15,992.79**	**14,616.27**
Equity and Liabilities				
Equity				
Equity share capital		6,000.00	1,578.45	1,578.45
Other equity		1,592.08	4,807.69	3,182.73
Total Equity		**7,592.08**	**6,386.14**	**4,761.18**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
(i)	Borrowing	474.72	596.00	162.24
(ii)	Lease Liabilities	212.44	218.27	341.04
Deferred Tax Liabilities (net)		10.80	20.30	10.47
Total non-current liabilities		**697.96**	**834.57**	**513.75**
Current Liabilities				
Financial Liabilities				
(i)	Borrowings	2,836.80	3,156.89	4,813.50
(ii)	Lease liabilities	122.46	166.17	121.62
(iii)	Trade payable	3,933.14	4,319.00	3,419.48
(iv)	Other financial liabilities	635.27	903.19	881.50
Other current liabilities		100.00	145.04	80.93
Provisions		53.85	81.79	24.31
Total current liabilities		**7,681.52**	**8,772.08**	**9,341.34**
Total liabilities		**8,379.48**	**9,606.65**	**9,855.09**
Total Equity and Liabilities		**15,971.56**	**15,992.79**	**14,616.27**

Summary of Restated Financial Statement of Profit and Loss

(₹ in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Income				
Revenue from operations		48,224.72	48,348.16	45,215.92
Other income		333.01	476.16	146.71
Total income		**48,557.73**	**48,824.32**	**45,362.63**
Expenses				
Cost of raw material and components consumed		1,581.51	2,214.81	683.03
Change in inventories of finished goods and stock in trade		862.08	(1,619.00)	2,114.84
Purchase of traded goods		39,367.25	41,384.13	38,531.22
Employee Benefit Expenses		2,561.30	2,221.94	1,739.64
Finance Cost		295.64	330.66	534.91
Depreciation and amortization		299.36	280.62	234.50
Sales and marketing expenses		388.67	422.91	236.02
Operating and administrative expenses		1,094.63	1,333.61	829.78
Total Expenses		**46,450.44**	**46,569.68**	**44,903.94**
Profit before tax		**2,107.29**	**2,254.64**	**458.69**
Tax Expense				
Current Tax		568.65	575.00	113.43
Tax expenses of prior year		9.48	44.86	0.20
Deferred Tax expense		(9.50)	9.82	12.05
Income Tax Expense		**568.63**	**629.68**	**125.68**
Profit after tax		**1,538.66**	**1,624.96**	**333.01**
Other Comprehensive Income				
Items that will not be reclassified to profit & loss				
(i)	Remeasurement of the gain/(loss) of defined benefit	-	-	-
(ii)	Tax on above	-	-	-
Items that will be reclassified to profit & loss				
(i)	Remeasurement of the gain/(loss) of defined benefit	-	-	-
(ii)	Tax on above	-	-	-
Other Comprehensive income		**-**	**-**	**-**
Total comprehensive income for the period		**1,538.66**	**1,624.96**	**333.01**
Earning per equity share				
Basic		2.56	10.29	2.11
Diluted		2.56	10.29	2.11

Summary of Restated Financial Statement of Cash Flows

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	**2,107.29**	**2,254.64**	**458.69**
Adjustments for:-			
Depreciation and amortization expense	299.36	280.62	234.50
Interest Received	(32.88)	(42.34)	(59.65)
Loss/(Profit) on sale of fixed assets	9.75	16.45	(1.07)
Interest Paid	248.35	272.93	477.93
Increased in Share Capital	27.75	-	-
Unclaimed & Provision no longer required, written off and sundry balance written off	(39.29)	(3.35)	(10.38)
Operating profit before working capital changes	**2,620.33**	**2,778.95**	**1,100.02**
Adjustments for:-			
(Increase) /decrease in Inventories	835.32	(2,035.90)	1,982.17
(Increase) /decrease in Trade Receivables	(586.10)	479.86	1,010.29
(Increase) /decrease in other financial assets (non-current assets)	(16.96)	59.93	0.55
(Increase) /decrease in other non-current assets	223.82	(109.98)	248.77
(Increase) /decrease in investments	-	-	-
(Increase) /decrease in other current assets	(262.25)	138.77	236.06
Increase /(decrease) in provisions	(27.94)	57.48	(1.17)
Increase /(decrease) in Trade Payables	(346.57)	902.87	(2,655.10)
Increase /(decrease) in Other Current Liabilities	(45.04)	64.11	11.36
Increase /(decrease) in Other Financial Liabilities	(267.92)	21.69	78.80
Cash generated from Operations	**2,126.69**	**2,357.78**	**2,011.75**
Tax Expense paid	(688.66)	(378.31)	(355.18)
Net Cash Generated from Operating Activities (A)	**1,438.03**	**1,979.47**	**1,656.57**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, plant & equipment	(538.83)	(358.86)	(1,842.75)
Proceeds from investments	-	24.73	1.90
Interest Received	32.88	42.34	59.65
Capital Work in Progress	78.65	(78.65)	1,259.46
Proceeds from sale of assets	20.33	-	-
Net Cash Used in Investing Activities (B)	**(406.97)**	**(370.44)**	**(521.74)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	(441.37)	(1,223.44)	(570.45)
Interest Paid	(212.59)	(224.79)	(426.48)
Increase in Share Capital	(27.75)	-	-
Repayment of leasehold liabilities	(184.13)	(184.21)	(180.92)
Buyback of Shares	(332.72)	-	-
Net Cash Used in Financing Activities (C)	**(1,198.56)**	**(1,632.44)**	**(1,177.85)**
Net (Decrease) Increase in Cash & Cash Equivalents (A+B+C)	**(167.50)**	**(23.41)**	**(43.02)**
Cash and Cash Equivalents at the beginning of the year	**846.24**	**869.65**	**912.67**
Cash and Cash Equivalents at the end of the year	**678.74**	**846.24**	**869.65**
Components of cash and cash equivalents			
Balance with Bank	665.21	835.72	862.43
Cash on hand	13.53	10.52	7.22
	678.74	846.24	869.65

GENERAL INFORMATION

Our Company was originally incorporated as '*Balaji Solutions Private Limited*' at Kolkata, West Bengal, as a private limited company under the provisions of the Companies Act, 1956, pursuant to certificate of incorporation dated February 19, 2001 issued by RoC. Subsequently, the name of our Company was changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 3, 2008 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 28, 2008. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on March 1, 2013 and the name of our Company was changed to '*Balaji Solutions Private Limited* pursuant to a fresh certificate of incorporation dated March 20, 2013, issued by the RoC. Subsequently, the name of our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 28, 2018 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on August 7, 2018. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on April 17, 2019 and the name of our Company was changed to '*Balaji Solutions Private Limited*' pursuant to a fresh certificate of incorporation dated January 24, 2020, issued by the RoC. Subsequently, the name our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 8, 2022 and the fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on February 25, 2022.

Corporate Identity Number: U72900WB2001PLC092912

Company Registration Number: 092912

Registered and Corporate Office of our Company
Anmol South City Infra Park,
Plot No. B4 and B5, Mouza Jagdishpur,
JL No. 2, Dist. P.S. Liluah,
Howrah, West Bengal – 711115, India.
Website: www.balajisolutions.in

For further details, relating to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 193.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata which is situated at the following address:

Registrar of Companies, Kolkata
Nizam Palace,
2nd MSO Building, 2nd Floor,
Kolkata – 700 020
West Bengal, India.

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board comprises of the following Directors:

Name and designation of the directors	DIN	Address
Rajendra Seksaria *Chairman and Managing Director*	00943462	Flat No. 102, Rajat Garden, 21, Ballygunge Park Road, Ballygunge, Kolkata - 700 019, West Bengal, India
Dinesh Bajaj *Whole-Time Director and Chief Financial Officer*	00638230	Brindahban BL-B, 3rd Floor, FL-3K, 12 Mullick Para Lane, BSM Residency, Harihar Para, Bangur Avenue, North 24 Paraganas- 700055, West Bengal, India
Rakesh Kumar Agarwal *Non-Executive Director*	00272843	48/506, Dobson Road, Moulana Abul Kalam Azad Road, Shyama Sadan, Haora (M. Corp), Howrah- 711 101, West Bengal, India

Name and designation of the directors	DIN	Address
Shyamal Ghoshroy *Independent Director*	08325657	Flat 2A, 44/5/A, Becharam Chatterjee Road, opposite United Friends Club, Behala, Circus Avenue, Kolkata - 700 034, West Bengal, India
Nidhi Dubey *Independent Director*	08257155	B 11/13, Abhyudoy Co-operative Housing Society Ltd, EKTP Phase IV, E.K.T., Circus Avenue Kolkata-700 107, West Bengal, India
Siddartha Shankar Roy *Independent Director*	08458092	Flat A-2, 2nd Floor, P/21, Senhati Colony, Kolkata-700034, West Bengal, India

For further details of our Board of Directors, see "*Our Management*" beginning on page 200.

Company Secretary and Compliance Officer

Sanjay Bajaj is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Sanjay Bajaj
Anmol South City Infra Park,
Plot No. B4 and B5, Mouza Jagdishpur,
JL No. 2, Dist. P.S. Liluah,
Howrah, West Bengal – 711115, India.
Telephone: +91 33 61111818
E-mail: sanjay.b@balajisolutions.in

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be uploaded on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and is being filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus, along with the material contracts and documents will be required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Running Lead Managers

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai – 400 005,
Maharashtra, India
Telephone: +91 22 2217 1953
E-mail: balaji.ipo@idbicapital.com
Investor Grievance ID: redressal@idbicapital.com
Website: www.idbicapital.com
Contact Person: Suhas Satardekar/ Rahul Sharma
SEBI Registration Number: INM000010866

Affinity Global Capital Market Private Limited
20B, Abdul Hamid Street, East India House,
1st Floor, Room No. 1G,
Kolkata – 700069, India.
Telephone: +91 33 4004 7188
E-mail: balaji.ipo@affinityglobal.in
Investor Grievance ID: investor@affinityglobalcap.in
Website: www.affinityglobalcap.in
Contact Person: Zeba Shaukat/ Ayushi Hansaria
SEBI Registration Number: INM000012838

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities in this Offer among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus,	BRLMs	IDBI Capital

Sr. No.	Activity	Responsibility	Co-ordination
	abridged prospectus and application form. The BRLMs shall ensure that compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing. Capital structuring with the relative components and formalities such as type of instruments, allocation between primary and secondary, etc.		
2.	Drafting and approval of all statutory advertisements	BRLMs	Affinity
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report with SEBI	BRLMs	Affinity
4.	Appointment of Registrar(s), Advertising agency) including coordinating all agreements to be entered with such parties	BRLMs	Affinity
5.	Appointment of all other intermediaries (e.g., Printer(s), Monitoring Agency, Banker(s) to the Issue and Sponsor Banker to the Issue, etc.) including coordinating all agreements to be entered with such parties.	BRLMs	Affinity
6.	Preparation of road show presentation and FAQs for the road show team	BRLMs	IDBI Capital
7.	International institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy • Finalising the list and division of international investors for one to- one meetings • Finalising road show and investor meeting schedules	BRLMs	IDBI Capital
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to one meetings • • Finalising domestic road show and investor meeting schedules	BRLMs	IDBI Capital
9.	Non-institutional marketing of the Offer, which will cover, *inter alia*: • Finalising media, marketing and public relations strategy including list of frequently asked questions at non-institutional road shows: and • • Finalising centres for holding conferences for brokers.	BRLMs	Affinity
10.	Retail Marketing of the Offer, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget • Finalising media and PR strategy • Finalising collection centres • Finalising centres for holding conferences for brokers etc;.and • Follow-up on distribution of publicity and Offer material including application form, Prospectus and deciding on the quantum of the Offer material	BRLMs	Affinity
11.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	BRLMs	IDBI Capital
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading and deposit of 1% security deposit with the designated stock exchange	BRLMs	IDBI Capital
13.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, unblocking of application monies, listing of instruments, dispatch of certificates or demat credit and refunds, payment of applicable Securities Transaction Tax on behalf of the	BRLMs	IDBI Capital

Sr. No.	Activity	Responsibility	Co-ordination
	Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the initial and final post Issue report		

Legal Counsel to the Issue

M/s Crawford Bayley & Co.
State Bank Building, 4th floor
NGN Vaidya Marg, Fort
Mumbai - 400 023, Maharashtra, India.
Telephone: +91 22 2266 3353

Registrar to the Offer

KFintech Technologies Limited
Selenium, Tower – B, Plot 31 and 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi – 500 032, Telangana, India
Telephone: +91 40 6716 2222
E-mail: bsl.ipo@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditor to our Company

M/s P. Mukherjee & Co.
Chartered Accountants
8/2, K S Roy Road, 3rd Floor,
Room No. 5 & 6, Kolkata – 700 001
Telephone: +91 33 2248 1495
E-mail: pmcocal@gmail.com
Contact Person: P. Mukherjee
Peer Review Certificate Number: 010918*
Firm Registration Number: 304143E

** The peer review certificate issued by Peer Review Board of ICAI to the Statutory Auditor was valid till April 19, 2022 and the process to renew the peer review certificate was initiated by the Statutory Auditor. Necessary submissions for renewal of the peer review certificate has been made by the peer reviewer of the Statutory Auditor to the Peer Review Board and there is no express refusal by the Peer Review Board to renew the peer review certificate.*

Changes in Statutory Auditor

Except as disclosed below, there has been no change in the Statutory Auditor of our Company during the last three years preceding the date of this DRHP:

Name	Date of Change	Reason for Change
Kedia Dhandharia & Co., Chartered Accountants BC-266, Sector-I, Salt Lake City, Kolkata – 700 064, West Bengal, India. **E-mail:** kediadhandharia.co@gmail.com **Firm Registration Number:** 326659E	February 2, 2022	Resignation due to pre-occupational reasons

Name	Date of Change	Reason for Change
Peer Review Certificate Number: NA		
P. Mukherjee & Co., Chartered Accountant 8/2, K S Roy Road, 3rd floor, Room No. 5 and 6, Kolkata – 700 001, West Bengal, India **E-mail:** pmcocal@gmail.com **Firm Registration Number:** 304143E **Peer Review Certificate Number:** 010918*	March 11, 2022	Vacancy caused due to resignation of Kedia Dhandharia & Co., Chartered Accountants.

** The peer review certificate issued by Peer Review Board of ICAI to the Statutory Auditor was valid till April 19, 2022 and the process to renew the peer review certificate was initiated by the Statutory Auditor. Necessary submissions for renewal of the peer review certificate has been made by the peer reviewer of the Statutory Auditor to the Peer Review Board and there is no express refusal by the Peer Review Board to renew the peer review certificate.*

Bankers to the Offer

[●]

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
4 B. B. D. BAG – East,
Kolkata – 700 001
Telephone: +91 33 61606161
Contact person: Mohammad Irfan
E-mail: mohammad.irfan1@hdfcbank.com
Website: www.hdfcbank.com

Syndicate Members

[●]

Monitoring Agency

Our Company will appoint a monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with RoC. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer - Proposed schedule of implementation*" on page 96.

Appraising Entity

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

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

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

Debenture Trustees

As this is an Offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000 using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 Retail Individual Investors or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000 using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively or any such other website as may be prescribed by SEBI from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do? Do Recognised=yes & in tm Id=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

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

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number, and e-mail address, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Experts

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

Our Company has received written consent dated August 12, 2022 from M/s P. Mukherjee & Co., Chartered Accountants, Statutory Auditor of our Company, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their examination report dated July 27, 2022 on our Restated Financial Statements; and (ii) their report dated August 12, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 5, 2022 from Jayanta Dutta, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Engineer, in respect of the reports and certificates dated August 5, 2022 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band will be decided by our Company and Selling Shareholders, in consultation with the BRLMs and Minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Bengali daily newspaper, Bengali being the regional language of West Bengal where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company and Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date. For details, please see "*Offer Procedure*" beginning on page 317.

All bidders, except Anchor Investors, are mandatorily required to use ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs or Individual investors bidding under the Non-Institutional Portion for an amount of more than

₹ 2,00,000 and up to ₹ 5,00,000 may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 306 and 317, respectively.

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

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

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Explanation of Book Building and Price Discovery Process

For an explanation of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 317.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in the Offer.

It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Member do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

(The Underwriting Agreement has not been entered into as on the date of this Draft Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ lakhs)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made by the Underwriters to our Company), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the

SEBI Act or registered as brokers with the Stock Exchanges. Our Board or duly constituted committee of our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

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

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
(A)	**AUTHORISED SHARE CAPITAL**		
	8,70,00,000 Equity Shares of face value ₹10 each	87,00,00,000	-
(B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	6,00,00,000 Equity Shares of face value ₹10 each	60,00,00,000	-
(C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] lakhs **[(1)]	[●]	-
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 each aggregating up to ₹ 12,000.00 lakhs	[●]	[●]
	Offer for Sale of up to 75,00,000 Equity Shares of face value of ₹ 10 each by the Selling Shareholder aggregating up to ₹ [●] lakhs [(2)]	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares[(3)] of face value ₹ 10 each aggregating up to ₹ [●] lakhs	[●]	[●]
	Net Offer to the public up to [●] Equity Shares	[●]	[●]
(D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹ 10 each	[●]	-
(E)	**Securities Premium Account**		
	Before the Offer *(as on the date of Draft Red Herring Prospectus*		Nil
	After the Offer		[●]

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

*** Our Company may, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement of such number of Equity Shares for cash consideration aggregating up to ₹ 2,400.00 lakhs prior to the filing of the Red Herring Prospectus with the RoC is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

(1) The Offer has been authorized by our Board pursuant to its resolution dated June 3, 2022 and the Fresh Issue has been approved by our Shareholders pursuant to their special resolution dated June 30, 2022. Further, our Board has taken on record the consent of the Selling Shareholders by a resolution of our Board dated July 26, 2022.

(2) Each of the Selling Shareholder, severally and not jointly, has confirmed and authorized its respective participation in the Offer for Sale. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares, has been held by such Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details, see "The Offer" and "Other Regulatory and Statutory Disclosures" beginning on pages 60 and 293,

respectively.

(3) *The Offer includes an Employee Reservation Portion of up to [●] Equity Shares of face value of ₹10 each aggregating up to ₹[●] lakhs. Our Company in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.*

Changes in our Authorised Share Capital

For details in relation to the changes in the authorised share capital of our Company, please refer to the section entitled "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*" on page 195.

Notes to Capital Structure

1. Share Capital History

a. History of the Equity Share capital of our Company

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

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees and number of Equity Shares allotted to the allottees	Face value (₹)	Issue price per equity share (₹)	Reason/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
February 14, 2001*	10,000	Allotment of 5,000 Equity Shares to Rajendra Seksaria, 2,500 Equity Shares to Sushila Devi Seksaria and 2,500 Equity Shares to Mahabir Prasad Seksaria	10	10	Initial subscription to the Memorandum of Association	Cash	10,000
September 6, 2001	100	Allotment of 100 Equity Shares to S. K. Seksaria HUF	10	10	Further issue	Cash	10,100
February 14, 2002	79,300	Allotment of 100 Equity Shares to Rajendra Seksaria HUF, 100 Equity Shares to Shailendra Kumar Seksaria, 100 Equity Shares to M. P. Seksaria HUF, 3,500 Equity Shares to Ganesh Kumar Bajaj, 8,000 Equity Shares to Ganesh Kumar Rahul Kumar HUF, 7,500 Equity Shares to Mahesh Kumar Bajaj HUF, 10,000 Equity Shares to Chanda Saraf, 10,000 Equity Shares to Ramlal Saraf HUF, 10,000 Equity Shares to Kailash Saraf HUF, 5,000 Equity Shares to Shyam Narayan Tiwari, 5,000 Equity Shares to Anna Purna Bajaj, 10,000 Equity Shares to Lata Bajaj and 10,000 Equity Shares to Ramlal Saraf	10	10	Further issue	Cash	89,400
February 25, 2002	25,100	Allotment of 100 Equity Shares to Gouri Shankar Bajaj HUF, 15,000 Equity Shares to Dinesh Bajaj and	10	10	Further issue	Cash	1,14,500

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees and number of Equity Shares allotted to the allottees	Face value (₹)	Issue price per equity share (₹)	Reason/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
		10,000 Equity Shares to Shailendra Kumar Seksaria					
March 31, 2005	40,000	Allotment of 3,500 Equity Shares to Sangeeta Seksaria (w/o Shailendra Sekaria), 4,000 Equity Shares to Dinesh Bajaj HUF, 2,000 Equity Shares to Mahesh Kumar Bajaj HUF, 2,000 Equity Shares to Ganesh Kumar Rahul Kumar Bajaj HUF, 6,000 Equity Shares to Shailendra Kumar Seksaria, 3,500 Equity Shares to Rajni Dalmia, 4,000 Equity Shares to M. P. Seksaria HUF, 13,000 Equity Shares to Sushila Devi Seksaria and 2,000 Equity Shares to Anna Purna Bajaj	10	50	Further issue	Cash	1,54,500
December 19, 2005	7,000	Allotment of 7,000 Equity Shares to Indivar Properties Private Limited	10	100	Further issue	Cash	1,61,500
March 1, 2007	86,500	Allotment of 12,000 Equity Shares to Satakshi Mundra Investment Private Limited, 6,000 Equity Shares to GRM Finance & Leasing Co. Private Limited, 8,500 Equity Shares to Indivar Properties Private Limited and 60,000 Equity Shares to Foxin Technologies Private Limited	10	100	Further issue	Cash	2,48,000
May 7, 2007	50,000	Allotment of 10,000 Equity Shares to Newjet Trexim Private Limited, 10,000 Equity Shares to Shoka Tradelink Private Limited, 10,000 Equity Shares to Banka Enterprises Private Limited, 10,000 Equity Shares to Magnate Capital Market Limited and 10,000 Equity Shares to Wipro Suppliers Private Limited	10	100	Further issue	Cash	2,98,000
November 6, 2009	72,100	Allotment of 5,000 Equity Shares to Samkit Finance Private Limited, 17,000 Equity Shares to Gaurav Rose Real Estate Private Limited, 25,000 Equity Shares to Stopboy Tracom Private Limited, 5,000 Equity Shares to Canton Traders Private Limited, 20,000 Equity Shares to Amritvani Exim Private Limited and 100 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria)	10	100	Further issue	Cash	3,70,100
March 19,	50,000	Allotment of 10,000 Equity	10	100	Further	Cash	4,20,100

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees and number of Equity Shares allotted to the allottees	Face value (₹)	Issue price per equity share (₹)	Reason/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
2010		Shares to Snowtex Tradelink Private Limited, 20,000 Equity Shares to Veshnawy Vyapaar Private Limited, 10,000 Equity Shares to Magnate Capital Market Limited and 10,000 Equity Shares to Surams Holdings Private Limited			issue		
March 27, 2012	8,40,200	Allotment of: a. 4,08,400 Equity Shares to Rajendra Seksaria b. 1,21,400 Equity Shares to Rajendra Seksaria HUF c. 7,000 Equity Shares to Shailendra Kumar Seksaria d. 200 Equity Shares to Dinesh Bajaj e. 66,000 Equity Shares to Sangeeta Seksaria (w/o Shailendra Kumar Seksaria) f. 2,35,000 Equity Shares to Foxin Technologies Private Limited g. 200 Equity Shares to Chetan Seksaria h. 1,000 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria) i. 1,000 Equity Shares to Shailendra Kumar Seksaria HUF	10	-	Bonus Issue in the ratio of 2 Equity Shares for every 1 Equity Share held in our Company	-	12,60,300
March 31, 2012	70,000	Allotment of 50,000 Equity Shares to Jackport Tower Private Limited, 10,000 Equity Shares to Value Added Merchants Private Limited, 7,000 Equity Shares to Blue Sky Sales Private Limited and 3,000 Equity Shares to S. A. Securities Private Limited	10	150	Preferential allotment	Cash	13,30,300
May 16, 2013	100	Allotment of 100 Equity Shares to Divya Awasthi	10	75	Further issue	Cash	13,30,400
March 19, 2015	33,26,000	Allotment of 19,89,500 Equity Shares to Rajendra Seksaria, 4,55,000 Equity Shares to Rajendra Seksaria HUF, 250 Equity Shares to Dinesh Bajaj, 8,81,250 Equity Shares to Foxin Technologies Private Limited	10	-	Bonus Issue in the ratio of 5 Equity Shares for every 2 Equity Shares held in our Company	-	46,56,400
September 5, 2016	(12,33,750)	-	10	-	Cancellation of Equity Shares pursuant to the Scheme of	-	34,22,650

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees and number of Equity Shares allotted to the allottees	Face value (₹)	Issue price per equity share (₹)	Reason/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
					Amalgamation		
September 29, 2016	32,000	Allotment of 31,960 Equity Shares to Rajendra Seksaria and 40 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria)	10	10	Allotment pursuant to Scheme of Amalgamation	Other than cash	34,54,650
March 22, 2017	62,18,370	Allotment of 50,71,068 Equity Shares to Rajendra Seksaria, 11,46,420 Equity Shares to Rajendra Seksaria HUF, 180 Equity Shares to Dinesh Bajaj and 702 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria)	10	-	Bonus Issue in the ratio of 9 Equity Shares for every 5 Equity Shares held in our Company	-	96,73,020
July 11, 2017	8,50,000	Allotment of 5,50,000 Equity Shares to Rajendra Seksaria and 3,00,000 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria)	10	30	Private Placement	Cash	1,05,23,020
September 27, 2018	52,61,510	Allotment of: a. 41,26,364 Equity Shares to Rajendra Seksaria b. 17,500 Equity Shares to Komal Raghani c. 75,000 Equity Shares to Satish Udhandas Raghani d. 1,50,546 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria) e. 8,91,660 Equity Shares to Rajendra Seksaria HUF f. 140 Equity Shares to Dinesh Bajaj g. 300 Equity Shares to Siddharth Awasthi	10	-	Bonus Issue in the ratio of 1 Equity Share for every 2 Equity Shares held in our Company	-	1,57,84,530
April 16, 2021**	(7,84,530)	Buy back of 6,56,392 Equity Shares from Rajendra Seksaria, 1,04,980 Equity Shares from Rajendra Seksaria HUF, 23,138 Equity Shares from Sangeeta Seksaria (w/o Rajendra Seksaria) and 20 Equity Shares from Dinesh Bajaj.	10	42.41	Buy-back	Cash	1,50,00,000
March 21, 2022	4,50,00,000	Allotment of: a. 3,60,00,000 Equity Shares to Rajendra Seksaria b. 300 Equity Shares to Komal Raghani c. 300 Equity Sahres to Satish Udhandas d. 12,85,500 Equity Shares to Sangeeta Seksaria (w/o Rajendra Seksaria) e. 77,10,000 Equity Shares to Rajendra Seksaria HUF	10	-	Bonus Issue in the ratio of 3 Equity Share for every 1 Equity Shares held in our Company	-	6,00,00,000

Date of allotment of Equity Shares	Number of Equity Shares allotted	Details of allottees and number of Equity Shares allotted to the allottees	Face value (₹)	Issue price per equity share (₹)	Reason/ Nature of allotment	Nature of consideration	Cumulative number of Equity Shares
		f. 1,200 Equity Shares to Dinesh Bajaj g. 2,700 Equity Shares to Siddharth Awasthi					

**Our Company was incorporated on February 19, 2001. The date of subscription to the Memorandum of Association was February 14, 2001.*

***The Equity Shares bought back by the Company were extinguished by NSDL vide its letter dated April 23, 2021 bearing reference no. II/CA/COM/19418/2021.*

a. History of preference share capital of our Company

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

b. Issue of Equity Shares for consideration other than cash through bonus issues or out of revaluation reserves

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash through bonus issues or out of revaluation reserves since its incorporation:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value (₹)	Name of Allotee(s)	No. of Equity Shares allotted	Reason/ Nature of Allotment	Benefits accrued to our Company
March 27, 2012	8,40,200	10	Rajendra Seksaria	4,08,400	Bonus Issue in the ratio of 2 Equity Shares for every 1 Equity Share held in our Company.	-
			Rajendra Seksaria HUF	1,21,400		
			Shailendra Kumar Seksaria	7,000		
			Dinesh Bajaj	200		
			Sangeeta Seksaria (w/o Shailendra Kumar Seksaria	66,000		
			Foxin Technologies Private Limited	2,35,000		
			Chetan Seksaria	200		
			Sangeeta Seksaria (w/o Rajendra Seksaria)	1,000		
			Sangeeta Seksaria HUF	1,000		
March 19, 2015	33,26,000	10	Rajendra Seksaria	19,89,500	Bonus Issue in the ratio of 5 Equity Shares for every 2 Equity Shares held in our Company	-
			Rajendra Seksaria HUF	4,55,000		
			Dinesh Bajaj	250		
			Foxin Technologies Private Limited	8,81,250		
September 29, 2016	32,000	10	Rajendra Seksaria	31,960	Allotment pursuant to Scheme of Amalgamation	Please see "*History and Certain Corporate Matters – Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation,*
			Sangeeta Seksaria (w/o Rajendra Seksaria)	40		

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value (₹)	Name of Allotee(s)	No. of Equity Shares allotted	Reason/ Nature of Allotment	Benefits accrued to our Company
						any revaluation of assets, etc. in the last 10 years” on page 197
March 22, 2017	62,18,370	10	Rajendra Seksaria	50,71,068	Bonus Issue in the ratio of 9 Equity Shares for every 5 Equity Shares held in our Company	-
			Rajendra Seksaria HUF	11,46,420		
			Dinesh Bajaj	180		
			Sangeeta Seksaria (w/o Rajendra Seksaria)	702		
September 27, 2018	52,61,510	10	Rajendra Seksaria	41,26,364	Bonus Issue in the ratio of 1 Equity Share for every 2 Equity Shares held in our Company	-
			Komal Raghani	17,500		
			Satish Udhandas Raghani	75,000		
			Sangeeta Seksaria (w/o Rajendra Seksaria)	1,50,546		
			Rajendra Seksaria HUF	8,91,660		
			Dinesh Bajaj	140		
			Siddharth Awasthi	300		
March 21, 2022	4,50,00,000	10	Rajendra Seksaria	3,60,00,000	Bonus Issue in the ratio of 3 Equity Share for every 1 Equity Shares held in our Company	-
			Komal Raghani	300		
			Satish Udhandas Raghani	300		
			Sangeeta Seksaria (w/o Rajendra Seksaria)	12,85,500		
			Rajendra Seksaria HUF	77,10,000		
			Dinesh Bajaj	1,200		
			Siddharth Awasthi	2,700		

Further, our Company has not issued any Equity Shares out of revaluation of reserves.

For further details, see “*Capital Structure – Notes to Capital Structure – 1. Share Capital History – a. History of Equity Shares capital of our Company*” on page 75.

c. *Issue of Equity Shares pursuant to scheme of arrangement*

Except as disclosed in *“Capital Structure – Notes to Capital Structure – 1. Share Capital History – a. History of Equity Shares capital of our Company*” on page 75, as on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013. For further details of the Scheme of Amalgamation, see “*History and Certain Corporate Matters - Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*” on page 197

d. *Details of Equity Shares at a price lower than the Offer Price in last one year*

Other than as disclosed in “*Capital Structure – Notes to Capital Structure – 1. Share Capital History – a. History of Equity Shares capital of our Company*”, our Company has not issued any Equity Shares or preference shares in the last one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Offer Price.

e. *Details of Equity Shares granted under employee stock option scheme*

Our Company does not have any employee stock option schemes as on the date of this Draft Red Herring Prospectus.

2. **History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding including Promoters' contribution**

As on the date of this Draft Red Herring Prospectus, our Promoter hold, in aggregate, 4,80,00,000 Equity Shares, which constitutes 80.00% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding are set out below:

a. Build-up of Promoters' shareholding in our Company

Set forth below is the build-up of our Promoters' shareholding since the incorporation of our Company:

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
Rajendra Seksaria							
February 14, 2001*	5,000	10	10	Cash	Initial subscription to the Memorandum of Association	0.01%	[●]
November 26, 2001	(100)	10	10	Cash	Transferred to Rajendra Seksaria HUF	Negligible	[●]
	(100)	10	10	Cash	Transferred to Mahesh Kumar Bajaj HUF	Negligible	[●]
	(100)	10	10	Cash	Transferred to Kailash Kumar Saraf HUF	Negligible	[●]
	(100)	10	10	Cash	Transferred to Ganesh Kumar Rahul Kumar HUF	Negligible	[●]
	(100)	10	10	Cash	Transferred to Chanda Saraf	Negligible	[●]
	(100)	10	10	Cash	Transferred to Ganesh Kumar Bajaj	Negligible	[●]
	(100)	10	10	Cash	Transferred to Shailendra Kumar Seksaria	Negligible	[●]
	(100)	10	10	Cash	Transferred to Shyam Narayan Tiwari	Negligible	[●]
	(100)	10	10	Cash	Transferred to M. P. Seksaria HUF	Negligible	[●]
	(100)	10	10	Cash	Transferred to Ramlal Saraf HUF	Negligible	[●]
January 22, 2002	(100)	10	10	Cash	Transferred to Annapurna Bajaj	Negligible	[●]
	(300)	10	10	Cash	Transferred to Lata Bajaj	Negligible	[●]
	(100)	10	10	Cash	Transferred to Ramlal Saraf	Negligible	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
May 31, 2007	5,100	10	10	Cash	Acquired from Shyam Narayan Tiwari	0.01%	[●]
	3,500	10	10	Cash	Acquired from Ganesh Kumar Bajaj	0.01%	[●]
	9,500	10	10	Cash	Acquired from Mahesh Kumar Bajaj HUF	0.02%	[●]
	4,000	10	10	Cash	Acquired from Dinesh Bajaj HUF	0.01%	[●]
	2,000	10	10	Cash	Acquired from Ganesh Kumar Rahul Kumar HUF	Negligible	[●]
October 26, 2007	10,000	10	10	Cash	Acquired from Chanda Saraf	0.02%	[●]
	10,000	10	10	Cash	Acquired from Ramlal Saraf HUF	0.02%	[●]
	7,000	10	10	Cash	Acquired from Annapurna Bajaj	0.01%	[●]
	6,000	10	10	Cash	Acquired from GRM Finance & Leasing Co. Private Limited	0.01%	[●]
	15,500	10	10	Cash	Acquired from Indivar Properties Private Limited	0.03%	[●]
October 31, 2007	12,000	10	10	Cash	Acquired from Shatakshi Mundra Investment Private Limited	0.02%	[●]
September 24, 2009	100	10	10	Cash	Acquired from Bajaranglal Govindram HUF	Negligible	[●]
	100	10	10	Cash	Acquired from Mahesh Kumar Bajaj HUF	Negligible	[●]
	100	10	10	Cash	Acquired from Kailash Kumar Saraf HUF	Negligible	[●]
	100	10	10	Cash	Acquired from Pramila Gupta	Negligible	[●]
	100	10	10	Cash	Acquired from Chanda Saraf	Negligible	[●]
	100	10	10	Cash	Acquired from Lata Kedia	Negligible	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
	100	10	10	Cash	Acquired from Ramlal Saraf HUF	Negligible	[●]
	100	10	10	Cash	Acquired from Kedar Mal Jhanwar	Negligible	[●]
	100	10	10	Cash	Acquired from Kalpana Devi Kedia	Negligible	[●]
	100	10	10	Cash	Acquired from Radha Devi Vyas	Negligible	[●]
	100	10	10	Cash	Acquired from Kamla Devi Jhawar	Negligible	[●]
	100	10	10	Cash	Acquired from Ramlal Saraf	Negligible	[●]
	100	10	10	Cash	Acquired from Vivek Kedia	Negligible	[●]
	60,000	10	20	Cash	Acquired from Foxin Technologies Private Limited	0.10%	[●]
September 26, 2009	100	10	10	Cash	Acquired from Gouri Shankar Bajaj HUF	Negligible	[●]
January 25, 2011	15,500	10	10	Cash	Acquired from Sushila Devi Seksaria	0.03%	[●]
	5,000	10	10	Cash	Acquired from Mahabir Prasad Seksaria	0.01%	[●]
	3,500	10	50	Cash	Acquired from Rajni Dalmia	0.01%	[●]
March 31, 2011	500	10	100	Cash	Acquired from Foxin Technologies Private Limited	Negligible	[●]
August 5, 2011	4,200	10	118	Cash	Acquired from M. P. Seksaria HUF	0.01%	[●]
January 18, 2012	26,000	10	23	Cash	Acquired from Shailendra Kumar Seksaria	0.04%	[●]
March 27, 2012	4,08,400	10	-	-	Bonus Issue in the ratio of 2 Equity Shares for every 1 Equity Share held in our Company	0.68%	[●]
June 18, 2012	1,500	10	57	Cash	Acquired from Shailendra Kumar Seksaria HUF	Negligible	[●]
June 22, 2012	5,000	10	57	Cash	Acquired from Sangeeta	0.01%	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
					Seksaria (w/o of Shailendra Kumar Seksaria)		
June 26, 2012	10,500	10	57	Cash	Acquired from Shailendra Kumar Seksaria	0.02%	[●]
March 14, 2013	(100)	10	70	Cash	Transfer to Samir Changoiwala HUF	Negligible	[●]
	(100)	10	70	Cash	Transferred to Vinod Kumar Lohia & Sons HUF	Negligible	[●]
April 18, 2013	300	10	72	Cash	Acquired from Chetan Seksaria	Negligible	[●]
	94,000	10	-	-	Transfer by Sangeeta Seksaria w/o Shailendra Kumar Seksaria *vide* gift deed dated April 17, 2013	0.16%	[●]
	50,000	10	58	Cash	Acquired from Jackpot Towers Private Limited	0.08%	[●]
	10,000	10	58	Cash	Acquired from Value Added Merchants Private Limited	0.02%	[●]
	7,000	10	58	Cash	Acquired from Bluesky Sales Private Limited	0.01%	[●]
	3,000	10	58	Cash	Acquired from S. A. Securities Private Limited	0.01%	[●]
May 16, 2013	300	10	70	Cash	Acquired from Dinesh Bajaj	Negligible	[●]
August 20, 2014	100	10	86	Cash	Acquired from Govind Das Agarwal HUF	Negligible	[●]
	100	10	86	Cash	Acquired from Vinod Kumar Lohia & Sons HUF	Negligible	[●]
	100	10	86	Cash	Acquired from Divya Awasthi	Negligible	[●]
March 16, 2015	1,500	10	86	Cash	Acquired from Sangeeta Seksaria (w/o	Negligible	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
					Rajendra Seksaria)		
March 19, 2015	19,89,500	10	-	-	Bonus Issue in the ratio of 5 Equity Shares for every 2 Equity Shares held in our Company	3.32%	[●]
September 29, 2016	31,960	10	-	Other than cash	Allotment pursuant to Scheme of Amalgamation	0.05%	[●]
March 22, 2017	50,71,068	10	-	-	Bonus Issue in the ratio of 9 Equity Shares for every 5 Equity Shares held in our Company	8.45%	[●]
July 11, 2017	5,50,000	10	30	Cash	Private Placement	0.92%	[●]
September 21, 2017	(100)	10	30	Cash	Transferred to Sumi Kedia	Negligible	[●]
	(100)	10	30	Cash	Transferred to Usha Devi Kedia	Negligible	[●]
	(100)	10	30	Cash	Transferred to Ramesh Kumar Kedia HUF	Negligible	[●]
	(100)	10	30	Cash	Transferred to Ramesh Kumar Kedia	Negligible	[●]
	(100)	10	30	Cash	Transferred to Pankaj Kedia HUF	Negligible	[●]
	(100)	10	30	Cash	Transferred to Pankaj Kedia	Negligible	[●]
December 27, 2017	(100)	10	30	Cash	Transferred to Harshika Seksaria	Negligible	[●]
March 28, 2018	(1,50,000)	10	40	Cash	Transferred to Satish Raghani	(0.25%)	[●]
	(35,000)	10	40	Cash	Transferred to Komal Raghani	(0.06%)	[●]
May 8, 2018	100	10	40	Cash	Acquired from Harhika Seksaria	Negligible	[●]
September 27, 2018	41,26,364	10	-	-	Bonus Issue in the ratio of 1 Equity Share for every 2 Equity Shares held in our Company	6.88%	[●]
March 3, 2019	52,400	10	27	Cash	Acquired from Satish U. Raghani	0.09%	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue/ acquisition / transfer rice per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer shareholding	Percentage of post-Offer shareholding
	2,24,900	10	27	Cash	Acquired from Komal Raghani	0.37%	[●]
April 23, 2021	(6,56,392)	10	42.41	Cash	Buy-back	(1.09%)	[●]
March 21, 2022	3,60,00,000	10	-	-	Bonus Issue in the ratio of 3 Equity Share for every 1 Equity Shares held in our Company	60.00%	[●]
Total	**4,80,00,000**					**80.00%**	**[●]**

**Our Company was incorporated on February 19, 2001. The date of subscription to the Memorandum of Association was February 14, 2001.*

All the Equity Shares held by our Promoter were fully-paid up on the respective dates of allotment of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged or are otherwise encumbered. All the Equity Shares held by our Promoter are in dematerialised form as on the date of this Draft Red Herring Prospectus.

b. Shareholding of our Promoter and the members of Promoter Group

Set forth below is the equity shareholding of our Promoter and members of the Promoter Group as on the date of this Draft Red Herring Prospectus.

S. No.	Name of shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of pre-Offer Shareholding (%)	No. of Equity Shares	Percentage of post-Offer shareholding (%)
Promoter					
1.	Rajendra Seksaria	4,80,00,000	80.00	[●]	[●]
	Sub-total (A)	**4,80,00,000**	**80.00**	**[●]**	**[●]**
Promoter Group					
1.	Rajendra Seksaria HUF	1,02,80,000	17.13	[●]	[●]
2.	Sangeeta Seksaria	17,14,000	2.86	[●]	[●]
	Sub-total (B)	**1,19,94,000**	**19.99**	**[●]**	**[●]**
	Total (A+B)	**5,99,94,000**	**99.99**	**[●]**	**[●]**

c. Details of Promoters' contribution locked-in

i. Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter shall be locked in for a period of eighteen months as minimum promoter's contribution from the date of Allotment ("**Minimum Promoter's Contribution**") and the shareholding of the Promoter in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. Under Regulation 16 of the SEBI ICDR Regulations, "capital expenditure" means civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. For details of objects of the Offer, see "*Objects of the Offer*" at page 95.

ii. Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares	Date of transaction when fully paid up	Nature of allotment	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the post- Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**						**[●]**	**[●]**

Note: To be populated at the Prospectus stage

The Promoter has given his consent to include such number of Equity Shares held by him as disclosed above, constituting 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(i) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets and have not been issued against Equity Shares which are otherwise ineligible for computation of Minimum Promoter's Contribution, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

(b) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

(d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge or encumbrance; and

(e) All the Equity Shares held by our Promoter are in dematerialised form.

d. Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except:

(i) the Minimum Promoters' Contribution which shall be locked-in as above.

(ii) the Equity Shares allotted to the employees, whether currently an employee or not, under the employee stock option scheme prior to the Offer,

(iii) the Equity Shares held by an employee stock option trust or transferred to the employees, whether currently an employee or not, in accordance with the employee stock option scheme.

(iv) the Equity Shares held by a registered as VCF, category I AIFs, category II AIFs or FVCIs, as applicable. However, such Equity Shares shall be locked-in for a period of at least six months from the date of purchase by such VCF or category I AIFs, category II AIFs or FVCI. It is clarified that for shareholder(s) holding, individually or with persons acting in concert, more than 20% of the pre-Offer shareholding of the Company based on fully diluted basis, provisions of lock-in as specified under Regulation 17 of the SEBI ICDR Regulations shall be applicable, and relaxation from lock-in as provided under clause (c) of Regulation 17 of the SEBI ICDR Regulations shall not be applicable.

(v) the Offered Shares, which are successfully transferred as part of the Offer for Sale

e. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner:

- lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment; and

- lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

f. Other lock-in requirements

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

(i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

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

Pursuant to Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be transferred to and amongst the members of our Promoter Group or to any new promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter prior to the Offer and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

g. Recording on non-transferability of Equity Shares locked-in

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

3. Shareholding pattern of our Company

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of voting rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	3	5,99,94,000	Nil	Nil	5,99,94,000	99.99	5,99,94,000	5,99,94,000	99.99	Nil	Nil	Nil	Nil	Nil	Nil	5,99,94,000
(B)	Public	4	6,000	Nil	Nil	6,000	0.01	6,000	6,000	0.01	Nil	Nil	Nil	Nil	Nil	Nil	6,000
(C)	Non Promoter-Non Public	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
(C1)	Shares underlying DRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
(C2)	Shares held by Employee Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
	Total	**7**	**6,00,00,000**	**Nil**	**Nil**	**6,00,00,000**	**100.00**	**6,00,00,000**	**6,00,00,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**6,00,00,000**

4. The BRLMs and their associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

5. Shareholding of our Directors and Key Managerial Personnel in our Company

Except as stated below, none of our Directors or Key Managerial Personnel holds any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors/ Key Managerial Personnel	No. of Equity Shares	Percentage of total shareholding (%)
(i)	Rajendra Seksaria	4,80,00,000	80.00
(ii)	Dinesh Bajaj	1,600	Negligible*
	Total	**4,80,01,600**	**80.00**

Less than 0.01

6. As on the date of this Draft Red Herring Prospectus, our Company has seven shareholders.

7. Equity Shares held by the shareholders holding 1% or more of the paid-up capital of our Company.

The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus is a follows:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Rajendra Seksaria	4,80,00,000	80.00
2.	Rajendra Seksaria HUF	1,02,80,000	17.13
3.	Sangeeta Seksaria (w/o Rajendra Seksaria)	17,14,000	2.85

The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company ten days prior to the filing of this Draft Red Herring Prospectus is as follows:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Rajendra Seksaria	4,80,00,000	80.00
2.	Rajendra Seksaria HUF	1,02,80,000	17.13
3.	Sangeeta Seksaria (w/o Rajendra Seksaria)	17,14,000	2.85

The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on one year prior to the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Rajendra Seksaria	1,20,00,000	80.00
2.	Rajendra Seksaria HUF	25,70,000	17.13
3.	Sangeeta Seksaria (w/o Rajendra Seksaria)	4,28,500	2.86

The Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on two years prior to filing of this Draft Red Herring Prospectus is as follows:

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer share capital (%)
1.	Rajendra Seksaria	1,26,56,392	80.18
2.	Rajendra Seksaria HUF	26,74,980	16.95
3.	Sangeeta Seksaria (w/o Rajendra Seksaria)	4,51,638	2.86

8. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Draft Red Herring Prospectus.

9. Except as disclosed in "*Capital Structure – Notes to Capital Structure*" on page 75, none of the members of the Promoter Group or Directors and their immediate relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

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

11. Our Company, our Selling Shareholders, our Directors and the BRLMs have not entered into any buy back arrangements for the purchase of Equity Shares being offered through this Offer.

12. Neither the BRLM and nor their associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended), hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

13. No person connected with the Offer, including, but not limited to the BRLM, the Syndicate Members, our Company, the Promoter, Selling Shareholders, our Directors, or the members of the Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

14. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

15. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

16. Except for the Equity Shares to be allotted pursuant to the Fresh Issue and Pre-IPO Placement, our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares, whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares.

17. Except for Pre-IPO Placement before the filing of Red Herring Prospectus, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc, as the case may be.

18. Our Promoter and members of our Promoter Group will not submit Bids, or otherwise participate in this Offer, except by way of participation as Selling Shareholders, as applicable, in the Offer for Sale.

19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

20. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

21. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

22. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group, if any, during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

23. Set forth below is the price at which Equity Shares were acquired in the last three years, the Promoter, Promoter Group, Selling Shareholder and Shareholders entitled with rights to nominate Directors or any other rights:

Sr. No.	Date of acquisition	Name of the acquirer	Acquisition cost per Equity Shares^	Number of shares acquired
1.	March 21, 2022	Rajendra Seksaria	Nil	3,60,00,000
2.	March 21, 2022	Sangeeta Seksaria (w/o Rajendra Seksaria)	Nil	12,85,500
3	March 21, 2022	Rajendra Seksaria HUF	Nil	77,10,000

^As per the certificate dated August 12, 2022 issued by M/s P. Mukherjee & Co., Chartered Accountants.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 12,000.00 lakhs by our Company and an Offer for Sale of up to 75,00,000 Equity Shares, aggregating up to ₹ [●] lakhs by the Selling Shareholders. For details, please refer to the section entitled "*The Offer*" on page 60.

The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell up to 75,00,000 Equity Shares held by them aggregating up to ₹ [●] lakhs. Our Company will not receive any proceeds from the Offer for Sale. Each of the Selling Shareholders will be entitled to respective proportion of the proceeds of the Offer for Sale after deducting their respective portion of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees payable to the Stock Exchanges, all cost, fees and expenses in respect of the Offer will be borne by our Company and Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders for sale through the Offer.

Fresh Issue

The net proceeds of Fresh Issue, i.e. gross proceeds of the Fresh Issue less the offer expenses apportioned to our Company ("**Net Proceeds**") are proposed to be utilised in the following manner:

1. Funding incremental working capital requirements of our Company; and
2. General corporate purposes.

(Collectively, referred to herein as the "**Objects**")

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company's visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake our existing business activities and to undertake the activities for which the funds are being raised in the Fresh Issue.

Net Proceeds

The details of the net proceeds of the Fresh Issue are summarised in the table below:

Particulars	Amount (₹ in lakhs)
Gross proceeds from the Fresh Issue	Up to 12,000.00
Less: Offer Expenses (only those appointed to our Company)*	[●]
Net Proceeds**	[●]

**See "-Offer Related Expenses" see below*
*** To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing with the RoC.*

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount which will be financed from Net Proceeds[(1)(2)] (₹ in lakhs)
Funding incremental working capital requirements of our Company	8,660.00
General corporate purposes[(1)]	[●]
Total Net Proceeds	**[●]**

1) *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.*

2) *Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.*

Proposed schedule of Implementation

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(₹ in lakhs)

S. No.	Particulars	Total Estimated cost	Amount to be deployed from the Net Proceeds in Fiscal 2023	Amount to be deployed from the Net Proceeds in Fiscal 2024
1.	Funding incremental working capital requirements of our Company	8,660.00	5,360.00	3,300.00
2.	General corporate purposes*	[●]	-	-
	Total Net Proceeds#	**[●]**	**[●]**	**[●]**

* *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.*

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre- IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects.

The requirement and deployment of funds as indicated above are based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company, and have not been appraised by any bank or financial institution. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations and configuration of the project, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals, general corporate purposes and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Fresh Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

For further details of factors that may affect these estimates, see "*Risk Factors*" on page 29.

Means of finance

The fund requirements for all the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals.

Details of the Objects

1. Funding incremental working capital requirements of our Company

We fund a majority of our working capital requirements in the ordinary course of business from various banks and internal accruals. As on June 30, 2022, the outstanding amount under the fund based working capital facilities of our Company was ₹ 1,121.50 lakhs. For details, see "*Financial Indebtedness*" beginning on page 283.

In order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in Fiscal 2023 and Fiscal 2024. The funding of the incremental working capital requirements of our Company will lead to a consequent increase in our profitability and achieving the proposed targets as per our business plan.

Basis of estimation of incremental working capital requirement

We propose to utilise ₹8,660.00 lakhs from the Net Proceeds to fund the long-term working capital requirements of our Company in Fiscal 2023 and Fiscal 2024. The balance portion of our long-term working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks and financial institutions.

The details of our Company's working capital as at Fiscal 2022, Fiscal 2021 and Fiscal 2020 and the source of funding, derived from the Restated Financial Statements, are provided in the table below:

(₹ in lakhs)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Current Assets			
Inventories	5,159.47	5,994.79	3,958.89
Trade Receivables	5,259.46	4,673.36	5,153.22
Other financials and current assets	1,130.64	759.89	1,140.34
Total current assets (A)	**11,549.57**	**11,428.04**	**10,252.45**
Current Liabilities			
Trade Payables	3,933.14	4,319.00	3,419.48
Other current liabilities and provisions	911.58	1,296.19	1,108.36

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total current liabilities (B)	**4,844.72**	**5,615.19**	**4,527.84**
Total working capital requirements (A-B)	**6,704.85**	**5,812.85**	**5,724.61**
Funding pattern			
Internal accruals	3,868.05	2,655.96	911.11
Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	2,836.80	3,156.89	4,813.50

Note: Pursuant to the certificate dated August 12, 2022, issued by the Statutory Auditor.

On the basis of our existing and estimated working capital requirements, our Board, pursuant to their resolution dated August 11, 2022, has approved the business plan for the, Fiscal 2022 and the estimated working capital requirements for Fiscal 2023 and 2024 as stated below:

(₹ in lakhs)

Particulars	Fiscal 2023	Fiscal 2024
Current Assets		
Inventories	7,106.77	9,508.29
Trade Receivables	6,288.99	7,972.37
Other financial and current assets	2,879.73	3,109.70
Total current assets (A)	**16,275.49**	**20,590.36**
Current Liabilities		
Trade Payables	4,332.31	5,296.47
Other financial and current liabilities	444.13	470.27
Total current liabilities (B)	**4,776.44**	**5,766.74**
Total working capital requirement (A-B)	**11,499.05**	**14,823.62**
Funding pattern		
Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	2,836.80	2,836.80
Internal accruals	3,302.25	8,686.82
Working Capital Gap to be funded by IPO	**5,360.00**	**3,300.00**

Note: Pursuant to the certificate dated August 12, 2022, issued by the Statutory Auditor.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Financial Information for Fiscal 2020, Fiscal 2021 and Fiscal 2022, the projections for, Fiscal 2023 and Fiscal 2024 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

Particulars	Fiscal 2020 (Actuals)	Fiscal 2021 (Actuals)	Fiscal 2022 (Actuals)	Fiscal 2023 (Estimates)	Fiscal 2024 (Estimates)
Inventory days					
Raw Materials	41	58	132	114	89
Finished goods	46	41	46	44	42
Trade receivables days	40	35	42	38	38
Trade payable days	34	38	30	31	31

Note: Pursuant to the certificate dated August 12, 2022, issued by the Statutory Auditor.

Key assumptions for working capital projections made by our Company:

Particulars	Assumptions
Inventories	Our company's inventory primarily consists of IT hardware & peripherals and mobile accessories products. Our Company has assumed the average holding level for inventories as 44 days and 49 days of cost of sales for each of the Fiscal, 2023 and 2024, respectively. Inventory levels have been estimated in line with projected financials for the Fiscals 2023 and 2024, respectively.
Trade receivables	Our Company has assumed average holding levels for trade receivables as 38 days of revenue during operations for each of the Fiscals 2023 and 2024.
Other current assets	Other current assets include balance with Government Authorities and advances to suppliers. Our Company's other current assets are anticipated to be at 14 days and 12 days for Fiscal 2023 and Fiscal 2024 which have been estimated in line with projected financials for the Fiscals 2023 and 2024, respectively.
Trade payables	Our trade payables have a direct correlation to our business growth. Holding level for trade payables as 31 days and 31 days from operations for each of the Fiscal 2023 and 2024. Trade payables levels have been estimated in line with projected operations for the Fiscals 2023 and 2024.
Other current liabilities	Other Current Liabilities include advances from customers, statutory liabilities, employee benefit provisions, income tax provisions. For the Fiscal 2020, Fiscal 2021 and Fiscal 2022, the Company's other current liabilities were 9 days, 11 days and 7 days respectively. It is anticipated to be at 3 days and 3 days for Fiscal 2023 and Fiscal 2024 which has been estimated in line with project operations for the Fiscal 2023 and 2024.

Note: Pursuant to the certificate dated August 12, 2022, issued by the Statutory Auditor.

The aforementioned working capital estimates and projections have been approved by the Board through their resolution dated August 11, 2022.

2. General Corporate Purposes

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

a. funding growth opportunities;

b. servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;

c. capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;

d. working capital;

e. meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or

f. strategic initiatives.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] lakhs. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis (except any corporate advertisements (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), listing fees, the audit fees of the statutory auditors that will be paid by the Company), in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, respectively, subject to applicable law including Section 26(3) of the Companies Act and irrespective of the success of the Offer. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.

The estimated Offer expenses are as follows:

(₹ in lakhs)

Activity	Estimated expenses*	As a% of the total estimated Offer expenses (1)	As a% of the total Offer size (1)
BRLMs fees and commissions (including underwriting commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ((2)(3)(4)(5)(6)	[●]	[●]	[●]
Fees payable to the Registrar of the Offer			
Other expenses			
a. Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees	[●]	[●]	[●]
b. Printing and stationery expenses	[●]	[●]	[●]
c. Advertising and marketing expenses	[●]	[●]	[●]
d. Fees payable to the legal counsel	[●]	[●]	[●]
e. Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

**Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(1) Amount will be finalised and incorporated in the Prospectus on determination of Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are directly procured and uploaded by the SCSBs, would be as follows:

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

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

Further, bidding charges of ₹[●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders, and Non-Institutional Bidders, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, shall be ₹[●] per valid Bid cum Application Form (plus applicable goods and services tax)

(3) No additional uploading/processing charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Applications Forms directly procured by them

Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employees**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**For each valid application.*

(4) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

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

The processing fees for applications made by Retail Individual Investors using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

(5) Selling commission on the portion for Retail Individual Bidders (including bids using the UPI

Mechanism), Non-Institutional Bidders and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Interim Use of Funds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for monitoring the utilisation of Net Proceeds prior to filing of the Red Herring Prospectus with the RoC, as the proposed Fresh Issue exceeds ₹ 10,000.00 lakhs. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee and the Audit Committee shall monitor the proceeds of the Net Issue until such time that all the Net Proceeds have been utilised in full. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Our Company shall in its quarterly notes to Accounts of its financial statements include the employment of Net Proceeds of the Issue under various heads. Our Company shall provide details / information / certifications obtained from Statutory Auditor on the utilization of the Net Proceeds to the Monitoring Agency The statement shall be certified by the Statutory Auditor. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Issue from the objects of the Issue as stated above. Our Company shall for the purpose of quarterly report by Monitoring Agency, provide item by item description for all the expense under Object of the Issue. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Offer unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Bengali, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 59 and Schedule XX of the SEBI ICDR Regulations. For further details see, "*Risk Factors - Our management will have broad discretion in how we apply the Net Proceeds and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in any increase in the value of your investment.*" on page 46.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

Other Confirmations

No part of the Net Proceeds will be paid to our Promoter, Promoter Group, Directors, our Group Company or our Key Managerial Personnel, except to the extent of proceeds from Offer for Sale and in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel, or our Group Company in relation to the utilisation of the Net Proceeds

BASIS OF OFFER PRICE

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

Investors should also refer to the sections "*Our Business*", "*Risk Factors*", "*Financial Information – Restated Financial Statements*" and "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on pages 163, 29, 227 and 254 respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Established presence with over two decades of operations in the electronic industry;
- Diversified business vertical with wide range of product portfolio and consistent focus on quality;
- Established distribution network and stable relationship with our customers;
- Integrated Manufacturing Facility to deliver quality products; and
- Experience promoter and strong senior management team extensive knowledge of the sector.

For further details, see "*Our Business – Our Key Strengths*" on page 166"

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Statements. For details, see "*Financial Information – Restated Financial Statements*" beginning on page 227.

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

1. Basic and Diluted Earnings Per Share ("EPS"), as per Restated Financial Statements

Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2022	2.56	2.56	3
Financial Year ended March 31, 2021	10.29	10.29	2
Financial Year ended March 31, 2020	2.11	2.11	1
Weighted Average	**5.06**	**5.06**	

Notes:

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year /Total of weights*
2. *Basic earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of equity shares outstanding during the year*
3. *Diluted earnings per share (₹) = Restated Net profit/loss attributable to equity shareholders / weighted average number of diluted equity shares outstanding during the year*
4. *Weighted Average Number of Shares is the number of Shares, outstanding at the beginning of*

the period adjusted by the number of shares issued during the period, multiplied by the time weighting factor. The time weighting Factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period

5. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share*

6. *The figures disclosed above are based on the Restated Financial Statements*

2. Price Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E ratio at the lower end of the Price Band (number of times)	P/E ratio at the higher end of the Price Band (number of times)
Based on Basic EPS for the financial year ended March 31, 2022	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2022	[●]	[●]

Notes:
Price/ Earning (P/E) ratio is computed by dividing the price per share by earnings per share

3. Industry Peer Group P/E ratio

There are no listed companies in India that engage in all aspects of the business that we operate. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

4. Average Return on Net Worth ("RoNW")

As derived from the Restated Financial Statements of our Company:

Period	RoNW (%)	Weight
Financial Year ended March 31, 2022	20.27	3
Financial Year ended March 31, 2021	25.45	2
Financial Year ended March 31, 2020	6.99	1
Weighted Average	**19.78**	**-**

Notes:
i. Weighted average = Aggregate of year wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight for each year / Total of weights.
ii. Return on Net Worth (%) = Profit for the period / year divided by Net worth at the end of the year/ period.
iii. 'Net worth': Sum of equity share and other equity less capital reserves.

5. Net Asset Value ("NAV") per Equity Share

Period	Net Asset Value per Equity Share
As on March 31, 2022	12.47
After the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
- At Offer Price	[●]

Notes:

a. *Net Asset Value (NAV) Per Equity Share is calculated as Net Worth attributable to Equity Shareholders (Equity Share capital together with other equity as per Restated Financial Information) as at the end of period/ year divided by the number of Equity Shares outstanding at the end of the period/year.*

6. Comparison of Accounting Ratios with Listed Industry Peers

There are no listed companies in India that engage in all aspects of the business that we operate. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

The Offer Price is [●] times of the face value of the Equity Shares.

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

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Financial Information – Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 163, 227 and 254, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" beginning on page 29 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Balaji Solutions Limited,
Anmol South City Infra Park,
Plot No. B4 and B5, Mouza Jagdishpur,
JL No. 2, Dist. Howrah, P.S. Liluah Howrah,
West Bengal – 711 115, India

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Offer) of Balaji Solutions Limited (the "Company)

This report is issued in accordance with the Engagement Letter dated June 03, 2022.

We refer to the proposed Initial public offering of equity shares of Balaji Solutions Limited (the "**Company**"). We hereby report that there are no special tax benefits available to Company under the direct and indirect tax laws including Income Tax Act, Goods and Services Act 2017, and Customs Act 1962 as applicable to the assessment year 2022- 23 relevant to the financial year 2021-22 presently in force in India. Also, there are no special tax benefits available to its shareholders for investing in the shares of the Company.

This statement of possible special tax benefits ("**Statement**") is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('**SEBI ICDR Regulations**'). In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue of equity shares (the "**Offer**") by the Company. Neither are we are suggesting nor advising the investor to invest in the Offer based on this statement. We do not express any opinion or provide any assurance in this Statement and it is 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.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "**Guidance Note**") issued by the Institute of Chartered Accountants of India and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Offer. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of M/s. P. Mukherjee & Co.

Authorized signatory
Prithwiraj Mukherjee
Partner
Membership No.: 060684
UDIN: 22060684AOWSGE3286

Place: Kolkata
Date: August 12, 2022

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

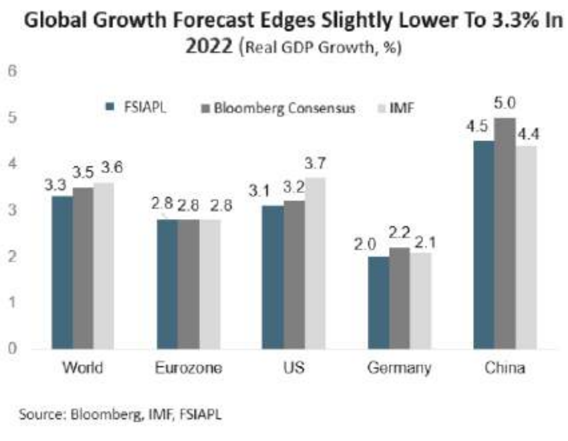
*Unless otherwise indicated, the information in this section is obtained or extracted from "Indian Electronics Industry" dated August 1, 2022 (the "**Fitch Solutions Report**") prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) ("**Fitch Solutions**") and exclusively commissioned by and paid for by us in connection with the Offer. A copy of the Fitch Solutions Report is available on website of our Company at www.balajisolutions.in/investors. The data included herein includes excerpts from the Fitch Solutions Report and may have been re-classified by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.*

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also see, "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from industry report prepared by Fitch Solutions exclusively commissioned and paid for by us in connection with the Offer. There can be no assurance that such third party statistical, financial and other industry data in the Draft Red Herring Prospectus may be complete or reliable." on page 48.

While preparing its report, Fitch Solutions has also sourced information from publicly available sources, including our Company's financial statements available publicly. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.

OVERVIEW OF GLOBAL ECONOMY

Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) expects the Global economy to grow by 3.3% in 2022. At 3.3%, our forecast for global growth remains below the Bloomberg consensus estimate of 3.5% as well as the IMF's April 2022 forecast of 3.6%. FSIAPL's growth forecasts was driven primarily by Russia, Germany and China. Central banks continue to tighten policy and Developed Markets (DMs) are slowly catching up with Emerging Markets (EMs) tightening cycles. FSIAPL expects DM Central banks will start to move more quickly over the coming months and particularly in the US and the eurozone. FSIAPL now forecasts the US Federal Reserve will raise interest rates to 2.0% in 2022. In the eurozone, FSIAPL expects the European Central Bank will start to normalise monetary policy and hike interest rates in Q42022



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

Global Macro Economic Forecasts (2019-2026)

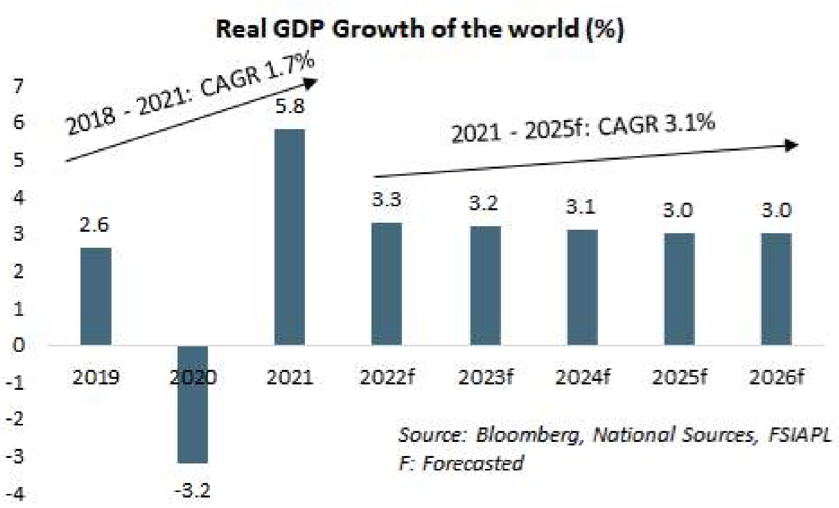
Name of the Country/ Economy	2019	2020	2021	2022f	2023f	2024f	2025f	2026f
Real GDP Growth (%)								
United States	2.3	-3.4	5.7	3.1	2.0	2.0	2.0	2.0
Eurozone	1.6	-6.3	5.4	2.8	2.4	2.0	1.7	1.7
Japan	-0.2	-4.5	1.7	2.3	1.3	1.0	1.0	0.9
China	6.0	2.3	8.1	4.5	5.5	5.4	5.3	5.2
India	6.5	4	-6.6	8.9	7.2	6.4	6.5	6.9
World	2.6	-3.2	5.8	3.3	3.2	3.1	3	3.0
Regionwise Real GDP Growth (%)								
Developed Markets	1.8	-4.4	5.2	3.1	2.1	2.0	1.9	1.9
Emerging Markets	3.7	-1.3	6.7	3.7	4.7	4.7	4.4	4.4
Asia Ex-Japan	5.4	0.3	7.5	5	5.6	5.5	5.4	5.4
Latin America	0.8	-6.6	6.6	1.9	2.2	2.4	2.4	2.5
Emerging Europe	2.9	-2.1	6.2	-3.9	3.5	3.8	2.7	2.3
Sub-Saharan Africa	2.8	-1.9	4.2	3	3.6	3.5	3.6	3.9
Middle East & North Africa	0.3	-3.0	4.2	5.6	4.0	3.7	3.6	3.6
Consumer Inflation (avg)								
United States	1.8	1.2	4.7	6.5	2.5	2.2	2.1	2.2
Eurozone	1.2	0.3	2.6	6.5	2.3	2.0	2.0	2.0
Japan	0.5	0.0	-0.3	0.4	0.8	1.0	1.0	1.0
China	2.9	2.5	0.9	2.7	3.1	2.3	2.3	2.3
India	3.4	4.8	6.2	6.7	5.7	4.8	4.0	4.0
World	2.9	2.8	4.4	6.6	3.9	2.9	2.8	2.8
Interest rates (%)								
Fed Funds Rate	1.75	0.25	0.25	2.00	2.50	2.50	2.50	2.50
ECB Refinancing Rate	0.00	0.00	0.00	0.00	0.75	0.75	1.25	1.25
Japan Overnight Call Rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.00	0.00	0.00
Exchange Rates (avg)								
Eurozone - USD/EUR	1.12	1.14	1.18	1.13	1.16	1.20	1.23	1.24
Japan - JPY/USD	109	106	104	116	117	117	114	114
China - CNY/USD	6.91	6.90	6.45	6.40	6.55	6.68	6.72	6.74
India - INR/USD	70.4	74.10	73.9	78.0	80.0	82.0	84.0	84.0
Oil Prices (avg)								
OPEC Basket (USD/bbl)	64.04	41.47	69.89	113.00	105.00	93.00	87.00	87.00
Brent Crude (USD/bbl)	64.16	43.21	70.95	115.00	110.00	95.00	88.00	88.00

**f=forecasted*

Source – Bloomberg, National Sources, FSIAPL

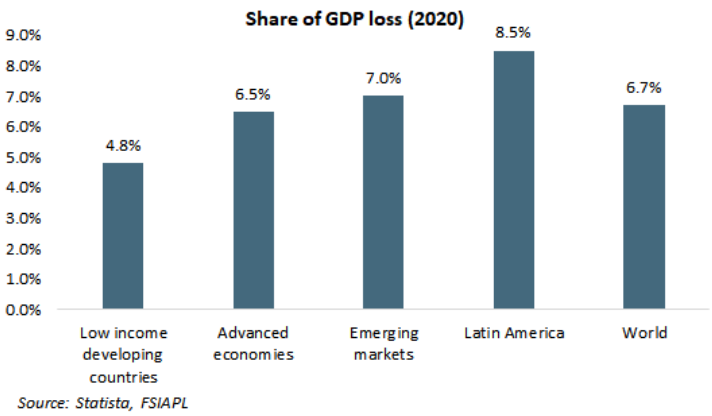
CAGR of the World GDP growth rate in the past and projected CAGR for the next 5 years

The CAGR growth for the period 2018 – 2021 was low at 1.7% due to degrowth of economies around the world because of global pandemic. Though there are current challenges faced by the global economies like geopolitical issues, high inflation, high oil prices, supply chain factors impacting the growth, the CAGR growth forecasted for the period 2021 – 2026 is 3.1%.



Share of Gross Domestic Product (GDP) lost as a result of the coronavirus pandemic in 2020

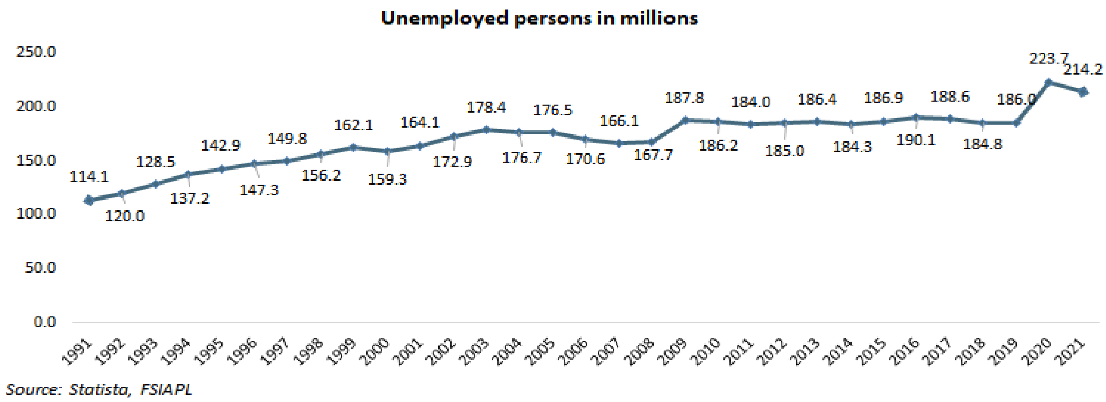
In 2020, global GDP declined by 3.4% as a result of the coronavirus pandemic outbreak. As the world's governments are working towards a fast-economic recovery, the GDP increased again in 2021 by 5.6%. According to the forecast for 2022, global GDP should increase by 4.5% in 2022.



Forecasted global real GDP growth due to COVID-19 2019-2023

The coronavirus pandemic has a significant impact on the global economy. In 2020, global GDP decreased by 3.4%, while the forecast for 2022 was 2.9% GDP growth. As the world's governments were working towards a fast-economic recovery, the GDP increased again in 2021 by 5.6%. According to the forecast for 2022, global GDP should increase by 4.5% in that year.

Number of unemployed persons worldwide from 1991 to 2021



Between 2019 and 2020, the number of unemployed people worldwide increased from 185.95 million to 223.67 million, the biggest annual increase in unemployment in this provided time period. In 2021, the number of people unemployed increased slightly to almost 214.21 million. The COVID-19 pandemic hit many industries hard. Lots of people lost their jobs or were forced to reduce their employment radically throughout 2020. As a result, 131 million more people globally were classified as poor, meaning that they lived on two U.S. dollars or less daily.

Impact of technological advancement

Human development in recent decades has been accompanied by rapid changes in technology and an increasing proliferation of digitized devices and services. And the pace of change seems likely to accelerate as a result of frontier technologies such as artificial intelligence (AI), robotics, biotechnology, and nanotechnology.

These technologies have already brought enormous benefits – dramatically highlighted in 2020 by the accelerated development of coronavirus vaccines. But rapid advances can have serious downsides if they outpace the ability of societies to adapt. There are fears, for example, that jobs are disappearing as more economic activity is automated, and that social media is exacerbating divisions, anxiety and doubt. Overall, there are concerns that frontier technologies will further widen inequalities, or create new ones.

Most of these issues have been voiced in developed countries. But the implications could be even more serious for developing countries – if poor communities and countries are either overwhelmed or simply left behind.

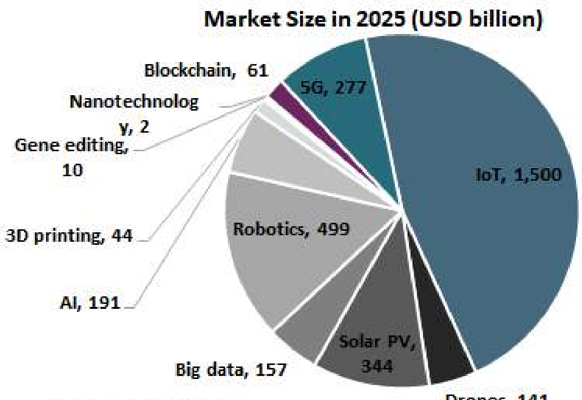
Technological advancement

We live in an age of dramatic technological advances, mostly concentrated in developed countries, but the great divides between countries that we see today started with the onset of the first industrial revolution. At that point most people were equally poor and the gaps in per capita income between countries were much smaller. Then with waves of technological change, Western Europe and its offshoots like Australia, Canada, New Zealand, and the United States along with Japan, pulled ahead. Most other countries remained on the periphery. Every wave of progress was associated with sharper inequality between countries with widening disparities in access to products, social services and public goods from education to health, from ICT infrastructure to electrification. Nevertheless, a few countries, notably in East Asia, were subsequently able to catch up through technological learning, imitation and innovation.

Moving towards new technologies

The "frontier technologies" are a group of new technologies that take advantage of digitalization and connectivity which enable them to combine to multiply their impacts. AI, the Internet of things (IoT), big data, blockchain, 5G, 3D printing, robotics, drones, gene editing, nanotechnology and solar photovoltaic (Solar PV) are some of the key technologies in today's world.

These technologies can be used to boost productivity and improve livelihoods. AI, for example, combined with robotics can transform production and business processes. 3D printing allows faster and cheaper low-volume production and rapid, iterative prototyping of new products. As a group, these 11 technologies already represent a USD 350.0 billion market now and one that by 2025 could grow to over USD 3.2 trillion.



Source: UNCTAD, FSIAPL

Finance companies have used these technologies, for example, for making credit decisions, and for risk management, fraud prevention, trading, personalized banking and process automation. The manufacturing sector has used them for predictive maintenance, quality control and human-robot combined work. Many of the major providers of these technologies are from the United States which is home to major cloud computing platforms. China is also a major producer, notably of 5G, drones and solar PV. For each of the technologies, these two countries are also responsible for 30 to 70.0% of patents and publications.

Progress in consumer electronics technologies

The differences in functions between phones, computers and televisions are vanishing as people used to send photos and documents through their computers; nowadays they can watch their photos and videos on their TVs and computers and browse the Internet on their phones, smart TVs and tablets. The amount of data circulating the Internet has been growing by almost a thousand times every decade since the early 1990s. The ICT sector's electricity use for hosting, transferring and processing data already accounts for more than 2.0% of global electricity use. As most phones and computers have an average use life of around three years, the

Year	Global Internet Traffic
1992	100 GB per day
1997	100 GB per hour
2002	100 GB per second
2007	2,000 GB per second
2017	46,600 GB per second
2022	150,700 GB per second

Source: Technical University of Denmark, FSIAPL massive quantity of electronic waste produced every year also means increasing environmental impacts. Therefore, reducing the time, resources, and electricity consumption due to people's use of consumer electronics for entertainment purposes is of great importance to the achievement of the sustainable development goals for sustainable and clean energy, environmental protection and climate change mitigation.

Trends of global internet growth and global IP traffic by devices

Particulars	2017	2022
Internet users	~3.5 billion	~4.8 billion
Devices and connections	18.0 billion	30.0 billion
Broadband speed	40.0 Mbps	80.0Mbps
Video viewing	75.0% - 80.0% of traffic	80.0% - 85.0% of the traffic

Source: Technical University of Denmark, FSIAPL

Particulars	2017	2022
Smartphones	18.00%	44.00%
TVs	32.00%	24.00%
PCs	41.00%	19.00%
Machine to Machine	3.00%	6.00%
Tablets	5.00%	6.00%
Non-smartphones	0.10%	0.10%
Other	0.01%	0.02%

Source: Technical University of Denmark, FSIAPL

Behind this lifestyle change is the rapid progress and breakthroughs in ICT technologies, in terms of thinner and bigger devices, touch screens, rapid increases in the operating speed and storage capacity of consumer electronics, high speed and universal access to the Internet via mobile data, Wi-Fi, inter-device Internet access sharing, cable fibre, as well as ever-decreasing prices for both consumer electronics and Internet access.

OVERVIEW OF INDIAN ECONOMY

India, the world's third largest economy in terms of its PPP (purchasing power parity) with population of over 1300 million has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, reduced governmental controls on foreign trade and investment, served to accelerate the country's growth and India has been one of the leading growing economies, posting an average of 7.0% Gross Domestic Product (GDP) growth since beginning of this millennium. However, India's GDP growth rate has seen a downward trend over the past few quarters since Q1FY19, which has been further exacerbated by the coronavirus pandemic. The Russian invasion of Ukraine has further led to higher oil prices and supply disruptions, pushing up prices of commodities and further raising the inflation rate in India.

Trends in Gross Domestic Product (GDP)

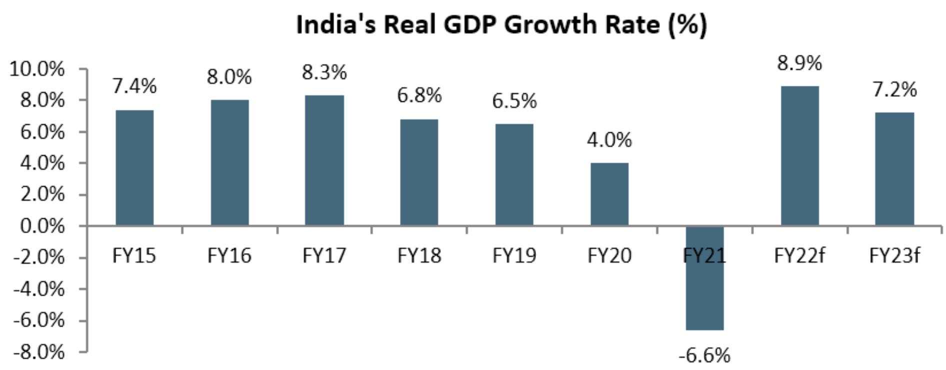
The disruption caused by the COVID-19 pandemic unfolded with such a speed and scale that the disruption of production, breakdown of supply chains/ trade channels and total wash out of economic activities in certain sectors – e.g. aviation, tourism, hotels and hospitality – did not allow the economic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

Components of Gross Domestic Product

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

RE - Revised estimate, AE - Advanced Estimate
Source - NSO, MOSPI, RBI, FSIAPL

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



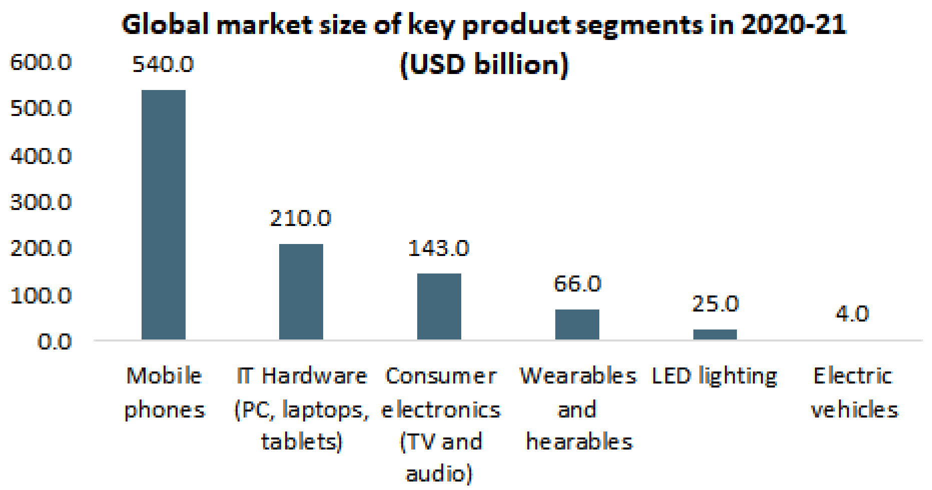
**f=forecasted*
Source: NSO, RBI, FSIAPL

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

OVERVIEW OF GLOBAL IT PERIPHERAL AND MOBILE ACCESSORIES

Global IT peripheral and mobile accessories industry break-up

The electronics industry is one of the largest and fastest growing industries in the world. Electronic products continue to impact and shape our lifestyle prominently in today's digital era. With the world being more connected than ever and the digital push induced by pandemic; the demand for electronic devices is expected to grow steadily and continue to be a major economic driver across the globe.

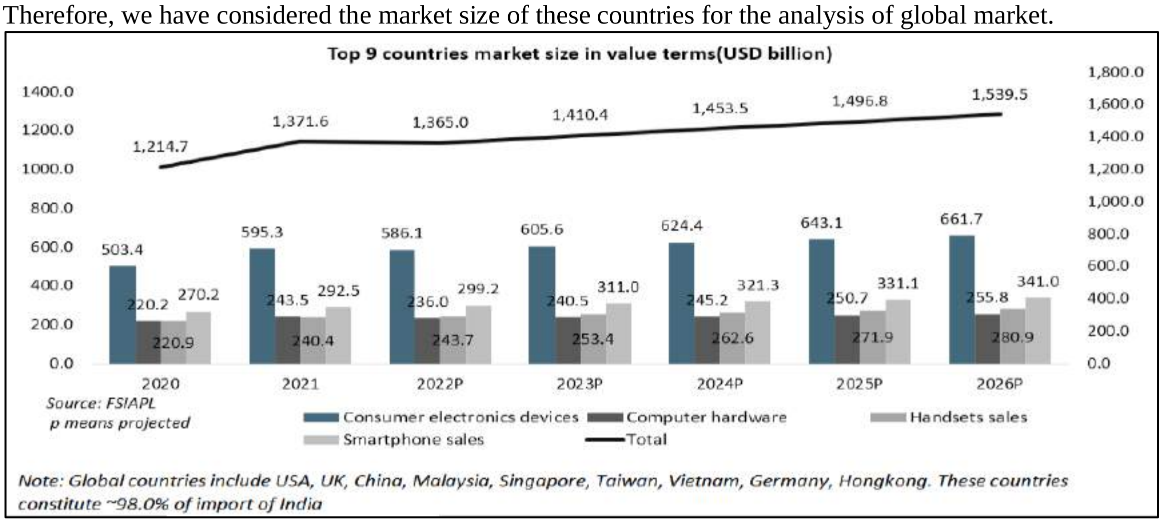


Source: Indian cellular and Electronics Association (ICEA), FSIAPL

The global electronics industry is estimated at USD 2.9 trillion in 2020 which is equal to the GDP of India. United States and European Union together represent more than 40.0% of the global market size. The global market for laptops, tablets and desktop computers is expected to stabilize around USD 220.0 billion by 2025. In volume terms, the market size is expected to be around 370 million units by 2025. Only 6 global players (Lenovo, HP, Apple, Dell, Acer, Asus) comprise 89.0% of the market shipments for laptops and 81.0% for tablets in 2020. The global manufacturing hubs are limited to a handful of countries with China being the predominant supplier to the world with 66.0% market share in 2021 and approximately USD 100.0 billion in value.

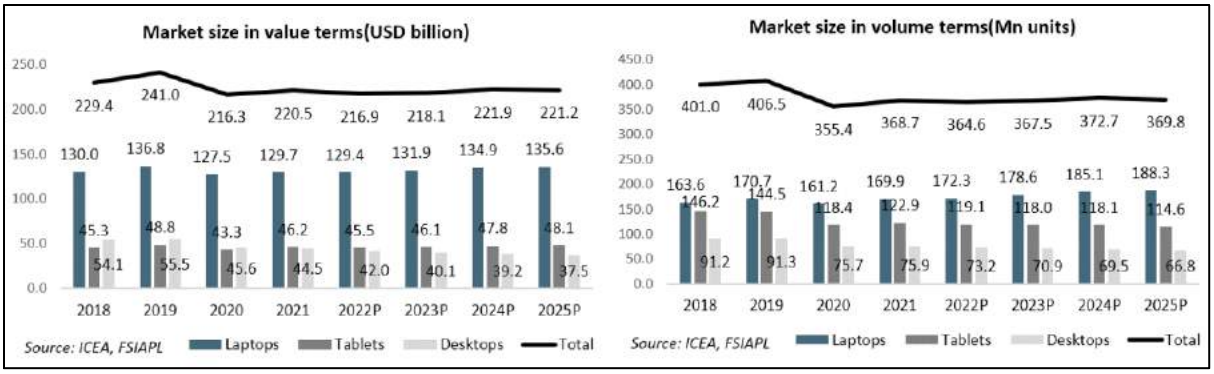
Trends in global market

USA, UK, China, Malaysia, Singapore, Taiwan, Vietnam, Germany, Hongkong constitute for around 98.0% of Indian imports. These 9 countries have approximately 50.0% of the global market size of electronics industry. Therefore, we have considered the market size of these countries for the analysis of global market.



Laptops, tablets, desktops market size in value terms

Total market size of laptops, tablets, desktops was around USD 241.0 billion in 2019 which decreased by 11.4% y-o-y in 2020 to USD 216.3 billion due to global pandemic impacting the global business. The market size increased by 1.9% y-o-y to USD 220.5 billion in 2021. The laptops, tablets and desktops constitute 58.8%, 21.0% and 20.2% respectively out of USD 220.5 billion in 2021 but laptop and tablets share are going to increase while desktop share is expected to decrease in 2025. The total share would be laptop (61.3%), tablets (21.8%) and desktops (16.9%) in 2025. The global market of laptops, tablets and desktops in terms of volume and revenue, after registering growth in 2021, is expected to remain largely stable between 2021–25 for laptops, tablets and desktops segment.

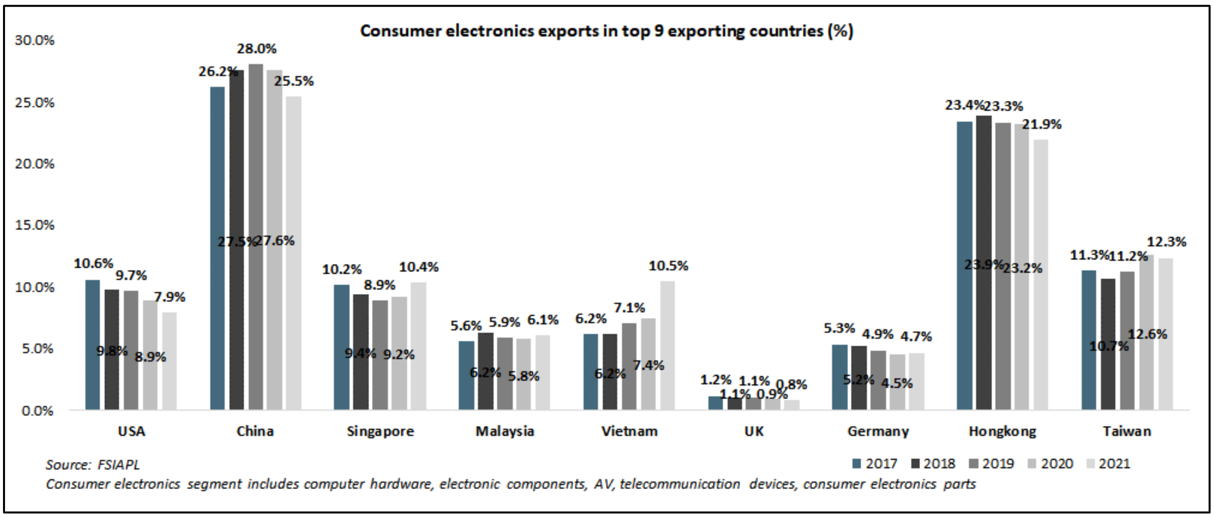


Biggest market by Region (2021)

The US remained the largest market for laptops, tablets, and desktop computers in 2021, accounting for 28.3% of the total market. European Union (17.3%), China (16.4%), Japan (11.6%), UK (4.7%) and Latin America (3.9%) are the other key market constituting for 82.2% of the global market. India is the 7th in the rank of market size in 2021.

Global manufacturing hubs and largest exporting nation

Among the exporters of this target segment, China appears to be the leading manufacturing hub- accounting for 66.0% (Laptops and tablets) of the world exports. Vietnam, Thailand, Malaysia, Mexico, Brazil, Poland, and Ireland may be considered as important exporting nations.



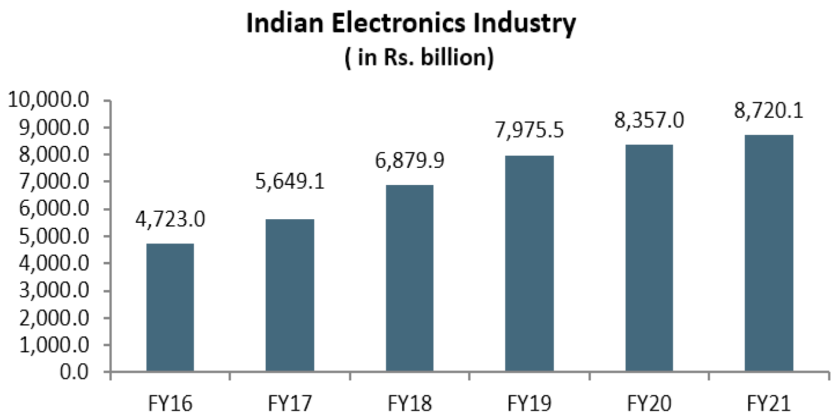
Electronics components (58.4%) form the major part of the total consumer electronics exports by the top 9 countries followed by computer hardware (19.6%), audio-visuals (3.1%), telecommunication devices (6.2%), consumer electronics parts (9.8%). China (25.5%), Hongkong (21.9%), Taiwan (12.3%), Vietnam (10.5%), USA

(7.9%) are the biggest exporters of the consumer electronics segment in the world. China exported 25.5% of the total consumer electronics of the global market in 2021 but it has decreased from 28.0% in 2019. USA share in total exports has also decreased from 10.6% in 2017 to 7.9% in 2021 while exporting hubs have shifted to countries like Vietnam and Taiwan. Vietnam's share in total export has increased from 6.2% in 2017 to 10.5% in 2021 while Taiwan's share increased from 11.3% in 2017 to 12.3% in 2021. Vietnam has surged ahead from not exporting to being the 4th largest exporter over 3 decades with a progressive Tariff Policy and FTAs to increase production and exports.

India is currently witnessing a digital revolution, which is increasing the usage of electronic devices. The growing middle-class population, rising disposable incomes, and falling electronics prices in the country are all contributing to the country's progress. India has already begun to see beginning activity with increasing production and assembly operations across products such as mobile phones and other consumer electronics, thanks to several government efforts aimed at boosting domestic manufacturing.

Overview of Indian Electronics Industry

Electronic goods in India include mobile phones, IT hardware (laptops and tablets), consumer electronics (TV, audio, accessories), industrial electronics, auto components, LED lightings and electronic components. The Indian Electronics Industry has grown at a CAGR of 13% from Rs. 4,723.0 billion in FY16 to Rs. 8,720.1 billion in FY21. Domestic electronics production has grown at a CAGR of 17.9% from Rs. 2,432.6 billion in FY16 to Rs. 5,544.6 billion in FY21. The key drivers of growth are large domestic market, and availability of skilled talent and low-cost labour. Import of electronic products have increased from Rs. 2,681.1 billion in FY16 to Rs. 3,993.7 billion in FY21; while Exports of electronic products from India increased at a CAGR of 15.9% from Rs. 390.6 billion in FY16 to Rs. 818.2 billion in FY21.

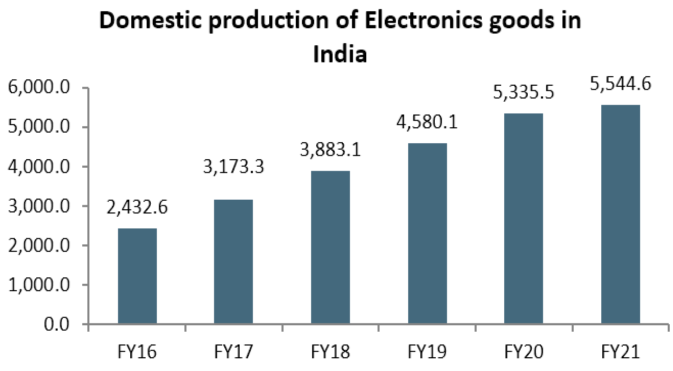


Source: Ministry of Electronics and Information Technology , FSIAPL

The industry has undergone major transformation in the last couple of years with the host of initiatives and reforms. The intent of the Government is to provide a level playing field for the domestic manufacturers enabling them to compete with imports in the sector by rationalizing tariff structure, simplifying procedures, providing incentives and upgrading infrastructure.

Domestic production of Electronic Goods

As a result of several initiatives taken by the Government and efforts of the industry, domestic production of electronic goods in India has grown at a CAGR of 17.9% from Rs. 2,432.6 billion in FY16 to Rs. 5,544.6 billion in FY21. The Government attaches high priority to electronics hardware manufacturing and it is one of the important pillars of both 'Make in India' and 'Digital India' programme of Government of India. The Government's 'Make in India' programme, launched in 2014, was designed to make India as the Global design and manufacturing hub by increasing domestic manufacturing and reducing India's dependence on the services sector, thereby imparting a healthy mix of contribution from all sectors to the Indian Economy. Another flagship initiative, 'Digital India', also targets a substantial boost in the domestic manufacturing of electronics and aims at reducing India's dependence on imports in this important sector. To encourage the electronic manufacturing in India, National Policy on Electronics 2019 (NPE 2019) was notified on 25.02.2019. The vision of NPE 2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM).



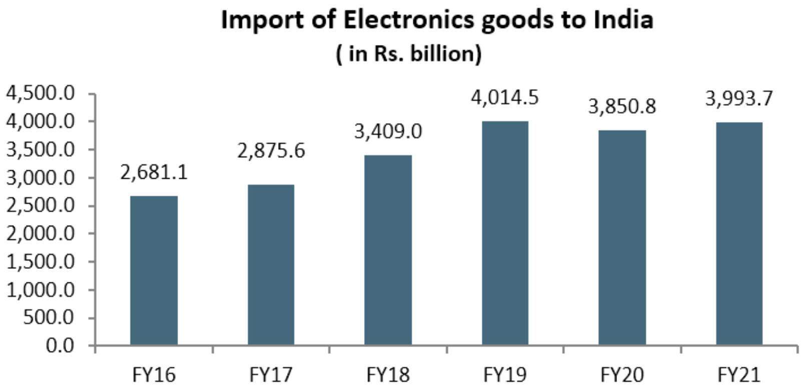
Source: Ministry of Electronics and Information Technology , FSIAPL

In addition, the global landscape of electronic industry is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. India is positioned as a destination for high-quality design work as well as a cost-competitive alternative. Many multinational corporations have established or expanded captive centres in India. Increasing penetration of consumer electronics in semi-urban and rural markets, a shift in lifestyle among the Gen Z population, and the adoption of smart devices are some of the key drivers that are assisting the rapid expansion of this industry.

Imports of Electronic goods in India

Imports of electronic products have increased from Rs. 2,681.1 billion in FY16 to Rs. 3,993.7 billion in FY21. In FY21, China and Hong Kong accounted for approximately 60-65.0% of India's total electronic imports. The majority of semiconductor demand is now fulfilled by imports from the United States, Japan and Taiwan. The electronics industry relies extensively on Chinese suppliers, especially consumer electronics, industrial electronics, computer and IT hardware, strategic electronics, light-emitting diodes, etc.

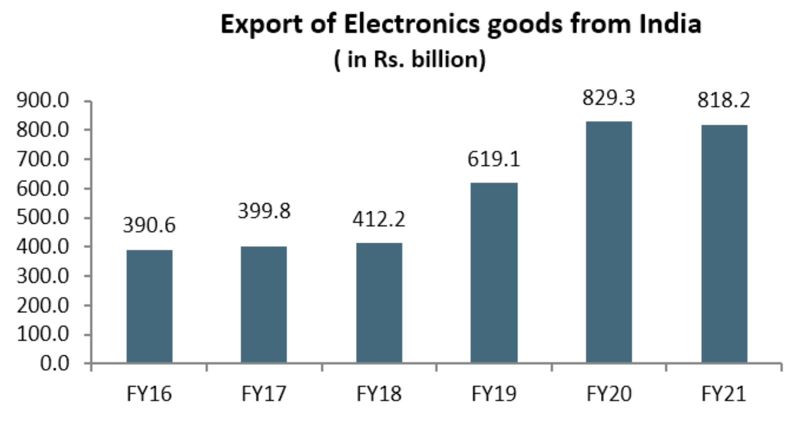
The top three imported products are laptops and desktops, Flat Panel Display (FPD) televisions and storage devices. Telephone equipment including mobile phones and components also make for the large share of imports made by India from China. During FY21, India imported 95% of parts used in electronic integrated circuits and micro assemblies from China. Similarly, India's reliance on China was 93% in colour TV sets and 90% when it comes to imports of the subscriber-end equipment in the telecom industry during FY21.



Source: Ministry of Electronics and Information Technology , FSIAPL

Export of Electronic goods from India

Exports of electronic products from India increased at a CAGR of 15.9% from Rs. 390.6 billion in FY16 to Rs. 818.2 billion in FY21. Mobile phones, IT hardware (laptops, tablets), consumer electronics (TV and audio), industrial electronics and auto electronics are key exports in this sector. India holds superior design competence and the availability of a talented workforce at lower wages compared to China, which fortifies its position as the futuristic, domestic-cum-export-oriented manufacturing destination for the globe.



Source: Ministry of Electronics and Information Technology , FSIAPL

Cost-effectiveness, a talented and affordable workforce, a burgeoning domestic electronics market and export opportunities will drive the market. Globally, India ranks second in mobile phone manufacturing, which involves design of the handset, assembly of components, and manufacturing of the device.

OVERVIEW OF KEY ELECTRONIC PRODUCTS

Electronics manufacturing sector has several verticals in terms of its constituents. The production profiles of the electronics sector in India for FY21, based on the information provided by Industry Associations are as follows:

Product Segments	Rs. billion	% share
Mobile Phones	2,226.8	40.2%
Consumer Electronics	705.1	12.7%
Industrial Electronics	779.4	14.1%
IT Hardware (Laptops, Tablets)	222.7	4.0%
Electronic Components	668.0	12.0%
Strategic Electronics	296.9	5.4%
Auto Electronics	445.4	8.0%
Printed circuit board assembly	37.1	0.7%
LED Lighting	163.3	2.9%
Total domestic electronic production in FY21	**5,544.6**	**100.0%**

Source: Ministry of Electronics and Information Technology

Mobile Phones

India has become the second largest mobile handset manufacturing nation globally and India has also become the second largest smart phone market in the world thus making India as the fastest growing smart phone market in the world. Production of mobile phones has increased at a CAGR of 30% from 60 million units in FY15 to 290 million units in FY21; thus, making the domestic manufacturing of cellular mobile handsets and its sub-assemblies/ parts and components as one of the flagship sectors under the 'Make in India' initiative of the Government.

Consumer Electronics

Consumer electronics refers to any device containing an electronic circuit board that is intended for everyday use by individuals for the purpose of entertainment, recreation or communication. This encompasses a massive category of electronic products which includes televisions, cameras, digital cameras, calculators, VCRs, DVDs, clocks, audio devices, headphones, and many other home products. Key drivers for this market's growth are growing awareness, easier access, changing lifestyle, higher disposable income and reduction in the per unit prices. India produced Rs. 705.1 billion worth of consumer electronics domestically during FY21.

Television is an important device in the home consumer electronics and has been identified as one product for which India can become the global hub for manufacturing. As per FICCI, India's TV production stood at USD 4.24 billion in FY21 and is expected to reach USD 10.22 billion by FY26 with a CAGR of 20%. Type of televisions available today in the market cover a wide range that starts from Plasma to LED and LCD TVs which offer sharper, higher resolution pictures. With the decreasing trend in the prices of LCD/ LED televisions, the penetration of these TVs is increasing significantly.

Electronic Components

The global market for electronic components is expected to reach USD 191.8 billion by 2022, of which the Asia Pacific region is going to capture a dominant share. Following this global trend, the Indian electronic components market is also poised to grow significantly. India produced Rs. 668.0 billion worth of electronic components domestically during FY21. Mobile Phones, Consumer Electronics and Industrial Electronics account for the major demand (82%) for electronic components in India. This is followed by the demand of electronic components in computer hardware, strategic electronics and lighting industry sector. Industries like Mobile Phones, Industrial Electronics (due to the advent of EVs) and Strategic Electronics are expected to witness substantial growth in the near future. A strong component manufacturing base is essential for a sustainable ESDM ecosystem in India. This segment needs very high efficiency of operations to stay profitable. Availability of components and an effective supply chain is vital for EMS companies for their growth.

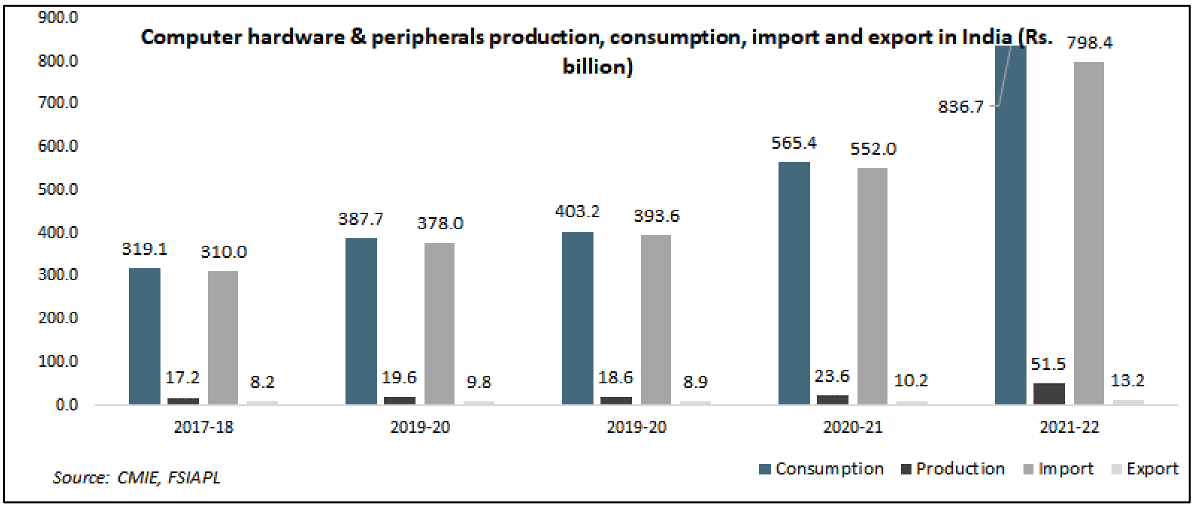
OVERVIEW OF COMPUTER HARDWARE & COMPUTER PERIPHERALS INDUSTRY

Mobile phones, laptops, tablets, and desktop computers are the pillars of today's information era because they support the backend infrastructure, facilitate a connected world and contribute to economic development. The ongoing pandemic has further underlined their importance, from interacting with the rest of the world to seeking information and services on a real time basis.

As per ICEA report, electronics segment is important is because this segment is expected to play a crucial role in achieving National Policy on Electronics' target of USD 400.0 billion by the year 2025. Of this target, USD 190.0 billion pertains to mobile phone manufacturing and the remaining USD 210.0 billion can be addressed through the production and export of laptops and tablets, desktops, computer hardware and peripherals. NPE 2019 aims at providing fiscal incentives for boosting exports and transforming India into a manufacturing and export hub.

Despite the overall growth of the Indian electronics industry, that of the computer hardware segment has remained largely insignificant over the years, with more imports and negligible exports. In part, the reason being that these devices fall under the category of Information Technology Agreement-I (ITA-1) products. Thus, the Basic Customs Duty (BCD) on their import is zero. Duties cannot be imposed on such imports as they will be in violation of ITA-1 (signed under the aegis of WTO). There is an inherent cost arbitrage and benefit to importing these devices as against their manufacturing in India. Therefore, unless exports are promoted, it is unlikely that the domestic market will offer any additional growth for companies aspiring to manufacture in India. On the contrary, rising imports are likely to further inflate the import bill and negatively impact the balance of trade situation.

Overview of computer hardware and computer peripherals in India



The consumption of computer hardware and peripherals increased with the CAGR of 27.3% from Rs. 319.1 billion in FY18 to Rs. 836.7 billion. Though production was very low at Rs. 17.2 billion in FY18 but it has increased with the CAGR of 31.5% to Rs. 51.5 billion in FY22. Though the production is still low and cannot fulfil the domestic consumption but it has increased at high rate over the period FY18-FY22. The major reason for exponential increase in consumption is due to global pandemic leading to increased application of technology in every aspect of lives including offices. Work from home led to major consumption of computer hardware by companies, organization and government around the globe.

India continued to import a significant amount of its consumer electronics which led to net forex outflow of USD 42.5 billion in FY19. In 2022, out of the total consumption of Rs. 836.7 billion, only Rs. 51.5 billion was produced in the country while Rs. 798.4 billion was imported. Total imports constitute 95.4% of the total consumption in 2022.

In terms of its GDP, India is amongst the largest economies in the world. However, its rank in terms of international trade is much lower. The fact that exports have grown for both small and large economies (e.g. Vietnam and China), suggests that market size is not the major determining factor for competitiveness and export performance. That would indicate that domestic market size is not the determining factor for FDI, exports and competitiveness especially if the policies used for the sector restrict scale of operations and do not emphasise cost reduction. The use of tariff policy becomes very significant in this context.

Nonetheless, there is a perception that India is in an advantageous position because it has a large and growing domestic market for most electronics products. This view about the significance of India's domestic market appears to be a misconception for many electronics products, including those on which there is a particular emphasis in the Indian tariff policy on electronics.

Trade of selected electronic products from 2018-21 (USD Million)

Products	2018-19		2019-20		2020-21	
	Export	Import	Export	Import	Export	Import
Finished products						
Laptop	40.9	2,966.8	10.6	3,167.9	24.0	4,745.0
Sub-Assemblies						
Battery Pack	32.4	1,612.9	37.7	1,622.2	37.0	1,514.0
Charger/ Adapter	604.1	834.9	952.1	754.6	605.0	845.0
Cables	58.0	178.0	70.0	177.0	88.0	170.0
Tablets	21.0	275.0	24.0	311.0	20.0	497.0
Desktop/ PC	39.0	1,795.0	50.0	1,706.0	62.0	1,836.0
Components						
Hard drive	17.0	484.0	17.0	458.0	11.0	369.0
Graphic card	7.0	106.0	13.0	107.0	6.0	93.0
Total	**819.4**	**8,252.6**	**1,174.3**	**8,303.7**	**853.0**	**10,069.0**

Source: ICEA, FSIAPL

Considering specific products mentioned above, out of the total trade of USD 10,922.0 million in 2021, import is 92.2% of the total trade while exports is only 7.8%. While exports of above products have grown by 2.0% from USD 819.4 million in 2019 to USD 853.0 million in 2021, imports have grown with the higher rate of 10.5% from USD 8,252.6 million in 2019 to USD 10,069.0 million in 2021. Out of the total import of above products, highest imported products are laptops (47.1%), desktop/ PC (18.2%) and battery pack (15.0%). These 3 products together account for 80.4% of the total imports.

Segmentation

The Indian market is price-sensitive in nature and most of the company focus on the low to mid-range segments. The sales are largest in the low-end segment. The computer hardware market includes all physical components integral to computing. The total market values include client computing hardware (desktop PCs, notebook PCs, adaptors, scanners and imaging devices standalone printers, thin-clients and workstations), networking hardware (Ethernet hubs and switches, Ethernet routers, WAN CPE and termination equipment, WAN multi-service switches, WLAN access points, WLAN cards and WLAN switches and appliances), security hardware (content-filtering and anti-spam appliances, encryption/SSL accelerators, firewall and VPN gateways, smart card readers and smart cards), servers hardware (high-end servers, low-end servers and mid-range servers) and storage hardware (hard-disk drives, NAS filers and arrays, NAS gateways, SAN adaptors and connectors and SAN disk arrays).

Segmentation of computer hardware and computer peripherals

Products		Segmentation	Features
Computers, Monitors & Laptops		Home	Parts used for personal computers are generic because the usage is comparatively less than business use
		Business	Manufacturers optimize business laptops for traveling and longer active periods than personal-use laptops
		Gaming	Gaming laptops are the same as standard of business laptops with upgraded features. A gaming laptop means high speed, huge memory, better graphics, and fast processing power
		Student	A student laptop is sturdy, lightweight and cost-effective
		Premium	Premium computers and laptops are made targeting the high end customers with more high-end components, style and functionality and other smart features
		All in one	Companies have come up with desktops which are highly efficient and can be use for all the purposes like work, avid and light gaming
Accessories	Chargers & Adapters	Wall adapter	Compatible with various Yoga and IdeaPad notebooks
		USB type C adapter	Compatible with most USB-C laptops
		Slim adapter	Compatible with most USB-C laptops available at premium pricing
		Batteries	Laptop batteries are available depending upon the product model
	Mouse & Keyboard	Wired	A wired mouse and keyboard is a little bit faster and more responsive. It is a cheaper, more practical option for the desktops
		Wireless	A wireless mouse and keyboard is easy to carry and can be freely moved at will. Wireless mouse is generally used with laptops and while travelling
		Gaming	Gaming mouse and keyboards have dedicated gaming features
		Multi-device	A wireless mouse and keyboard let the user type input into multiple devices like computer, laptop, mobile and tablet
	Cables & Connectors	Micro & Type C	Tangle free cables and connectors are available with quick charging and data transmission features
		DisplayPort	DisplayPort is a digital interface designed to deliver video and audio over a singular cable.
		Ethernet Adapter	It enables a computer to access an Ethernet network
	Webcams & videos	Wired	Webcams with either interface with device, laptop, or desktop
		Wireless	Wireless webscams connect via bluetooth, either with a built-in Bluetooth card or a Bluetooth dongle via a short USB cord
	Printers	Home	Difference in ink which is suitable for low volume printing
		Business	Made with focus on high volume printing
		A3 printers	Can print a greater and larger variety of paper sizes
		Colour laser	A laser printer that prints in color using four toner cartridges (CMYK) of cyan, magenta, yellow and black which is more efficient
		Laser all in one	enhanced features like printing, copying, scanning, faxing, stapling, duplexing, hole punching and many more

Source: FSIAPL

Supply chain channel

Consumer electronics sales are majorly high in metro cities due to favourable demographics, a young and working population, rising income levels, urbanization, growing brand orientation and efficient supply chain management. Supply chain management plays a key role in the industry growth. Efficient supply chain intensifies infrastructure drives in the regions of the country and allow vendors to penetrate even into smaller, less developed cities. Due to poor supply chain management, vendors continue to struggle in rural areas in India, where lack of basic infrastructure, including broadband, electricity and formal retail facilities present challenges to vendors in deepening their sales.

Multiple types of retailers

There are typically four types of retailers. The first is the large retailers which sell both computers and computer hardware and characterized by very large floor space or carpet area (20,000 – 30,000 square feet). They source their inventory directly from the OEM.

Then there are exclusive stores known as single brand retailer (SBO) which is a single-brand outlet. OEM directly franchise it out under there direct control. Inventory is sourced from National Distributor and regional distributors. Some global brands directly source it to the store. They have small to mid-size floor space.

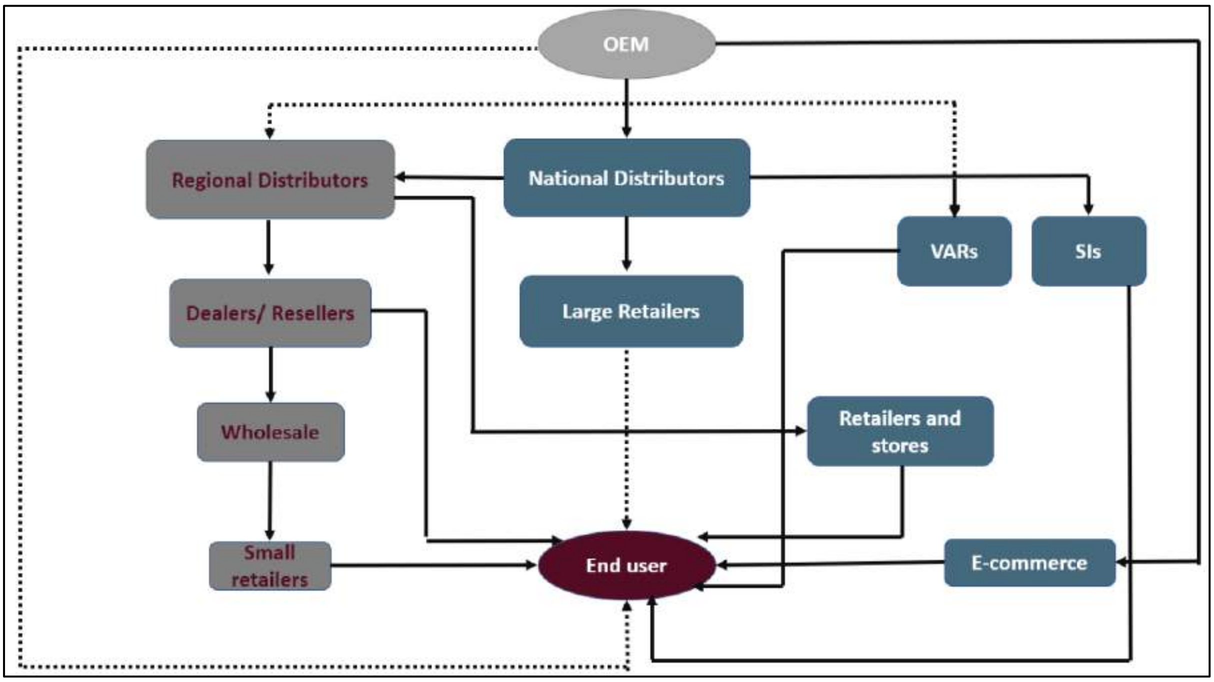
The third type of retailer is a multi-brand outlet (MBO). They sell multiple brands and companies focus more on these stores because there is a continuous foot falls within these stores. Multi-brand outlets' floor area varies from 2,000 to 2,500 square feet, either on one floor or on multiple floors. Some of these players have their own warehouse but mostly source from a distributor. Fourth type of retailer is usually called small retailers.

Retailer	Features
Large retailer	Sell IT and Non-IT, owned by large private and public corporations, inventory sourced directly from OEMs; Store size is very large
Single brand outlet	Franchsied but under direct control of OEM, inventory sourced from distributors; small to midsize floor space
Multi brand outlet	These stores sell multiple brands, space varies depending upon the type of
Small retailer	store; inventory is sourced from distributor but sales is monitored by OEM

Brands are looking for more ways to directly engage with consumers and give them a differentiated experience.

Accelerated by the pandemic, there has been an explosion in D2C brands in India—both established and insurgent which has doubled between the period 2020 – 2022.

PC distribution flow in India



Source: FSIAPL

Distributors in India

If we talk about the channel market and specifically sales of various computer and computer hardware products in India, there are slightly over 20,000 dealers and retailers in addition to nearly 24,000 value-added resellers in India. Supporting this vast channel network are national distributors and regional distributors. The flow of the product from the OEM to the end user is demonstrated in the above picture.

Opening the store adds up to the cost of the companies and therefore companies are focused on partnerships. These brands are covering new cities through partnerships which is around 14,000 partners in India as point of sales including multi-brand stores. Global players have focused on distributors and large multi-brand outlets. Global brands are creating an extension of their own direct channel without the associated cost and complexity of actually owning retail locations by promoting single-brand retailers which they used to do it earlier. With this strategy of distribution, they are enhancing the sales, marketing and operations capabilities of channel partners.

Computer OEM's distribution partnerships with Indian IT services and solutions companies is strengthening the supply chain of these companies. These partners further leverage their sales and sales support network to distribute hardware and software products at pan-India level and extend the reach of the products even to Tier 1 to Tier 3 locations across the country which was not possible initially. The partners are using their exhaustive last mile connect and supporting infrastructure in both rural and urban markets across India.

Increasing focus on online channels

Sales through e-commerce websites or through the company's own website are increasing exponentially. The penetration of online retail in electronics and appliances sales was around 3-5.0% in 2016 and it is more than 20.0-25.0% by 2021. This translated to the online retailing in electronics increasing at a compound annual growth rate of approximately 70.0-75.0% during 2016 to 2021.

Though global brands are increasing their stores in India, these brands have also understood that consumer electronics is one of the sectors which is rapidly moving to online channels and therefore in addition to bricks and mortar shops, OEMs are opening their own e-commerce websites in order to tap into the growing number of online buyers who prefer online discounts rather than visiting a retail shop. These players also partner with select ecommerce websites to ensure its customers are able to buy the product as per their buying preferences.

Supply chain challenges

Indian IT hardware supply chain is one of the most complex of any country as it includes a very large number of distributors, resellers and intermediaries. Due to complexity, it becomes difficult for retailers and their suppliers to effectively collaborate on forecasting, replenishment and inventory management. Inventory management is a major problem faced by retailers at the local store and warehouses as excess inventory leads to an increase in inventory costs thereby lowering profits especially for the retailers.

On the other hand, the organized retail segment has an efficient supply chain when compared with the unorganized sector. Needless to say, they have IT systems in place for inventory management. However, computer hardware and peripheral retailers still face problem in implementing IT systems across their stores and integrate with a central warehouse, due to high cost, requiring trained workforce and time- consuming process.

E-Commerce strategy towards efficient supply chain

Online retailers in India face lots of logistics challenges and prefer to fly their packets in the cabin of flights in order to avoid underdeveloped railways and roads. Majority of the goods ordered in India are moved by air, which pushes up the delivery cost of online e-commerce companies. Therefore, online retailers have focused on building their own logistics business in order to reduce air shipment costs. Companies are setting up their own regional warehouses and widening their supplier's network. To reduce air shipments, e-commerce companies are setting up regional warehouses and signing up more suppliers across the country to ensure customers get orders delivered by the nearest supplier. Having their own network means these companies can handle delivery rescheduling requests better, manage product returns faster and help customers exchange products. In addition to building their own warehouses, they use neighbourhood grocery stores and petrol (gas) stations as delivery points. These companies are even signing agreement with the Indian Postal Service to reach far-flung places in the country.

Industry diversification (industry verticals, applications, client mix, geography, services offered)

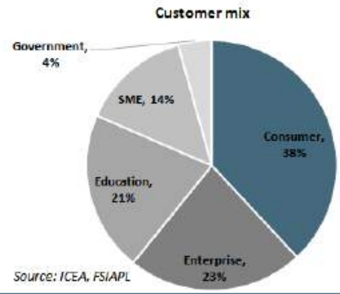
The consumer electronics industry is a very complex industry because everything from raw material to final product consist of inputs which are highly technical and need to be sourced from different partners. The list of components is very high and shortage of even one item affects the production of the final products. The industry verticals of the consumer electronics industry can be further drilled down to finished products, sub-assemblies and components. The detail about all the products is given below:

Products		
Finished products	**Sub-Assemblies**	**Components**
Mobile phone	Battery Pack	Mechanics
Smart watch, bluetooth earphones/ headsets	Digital Camera	Mechanics (SIM Socket)
OTT set top box/ set top box	PCBA	Base Station
Laptop	Charger/ Adapter	Mechanics for mobile phones
	Camera Module; Display Assemblies, Connectors, Vibrator Motor for Mobile Phone	Earphones
	Others	Speakers
	Cables	Flash storage
	Tablets	Hard drive
	Desktop/ PC	Motherboard
		PCB
		Graphic card

Source: ICEA, FSIAPL

Applications and client mix

The domestic market may be broadly categorized under the following segments from an end-user perspective:

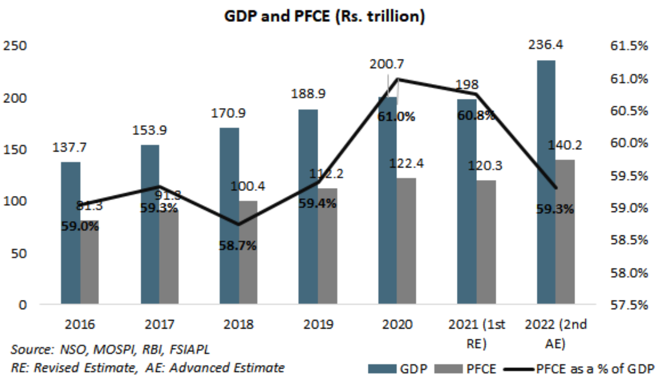


End-user	Segments
Government	Government mandates the procurement of goods for its departments or agencies with preference to higher local content
Large enterprises (B2B)	Large enterprises are a crucial segment for laptops, tablets and desktop computers since their workforce is highly dependent on electronic hardware
Consumer (B2C)	Retail consumers comprise another significant segment of the market
Education	This sector comprises around one-fifth of the market segment in India
Small and Medium Enterprises	SME is another segment that caters to the demand of small and medium enterprises

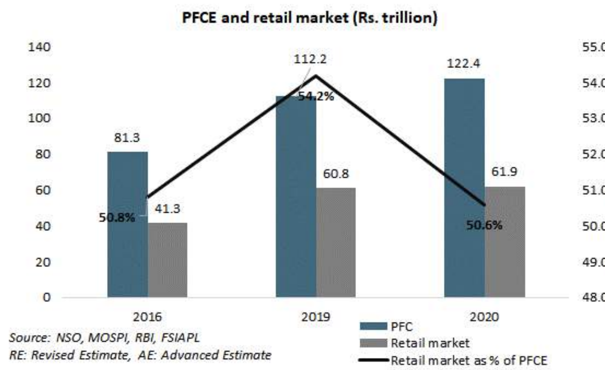
All these market segments have gained momentum post Covid-19 as entities move to an online mode for conducting their business and providing services. However, the requirements of the target segment are estimated to continue to be met by large imports from China, unless export-led policy initiatives in the form of incentives are provided.

Geography

India is a country of over 1.3 billion people staying in 28 states and 8 union territories. Though technology is the integral part of everybody's life these days, still major part of consumer electronics industry can be considered a discretionary expense. Therefore, consumer electronics expenditure can be easily derived from the GDP of the state of the country. PFCE is around ~60.0% of the GDP over the last 7 years.



Retail industry in India is ~50.0%-55.0% of the PFCE in the country. Out of total retail market, approximately half of it constitute urban while the other half belongs to the rural market. Out of the total retail market of Rs. 61.9 trillion, the share is food and grocery (~65.0%), apparel & accessories (~7.8%), footwear (~1.50%), jewellery & watches (~8.0%), pharmacy & wellness (~3.0%), electronics (~10.0% - 12.0%) and others is ~2.7%. Out of the total consumption of electronics, computer hardware, peripherals account for approximately 10.0% of the electronics market. On the basis of that, we have come to the geographical market size of consumer electronics in India.



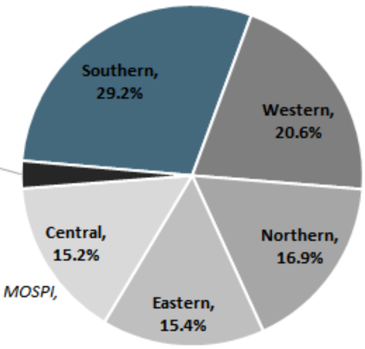
State	GDP (Rs. trillion)	Retail Market (Rs. trillion)	Computer hardware & peripherals (Rs. billion)	% share of market
Maharashtra	28.2	8.5	101.5	12.1%
Tamil Nadu	18.0	5.4	64.7	7.7%
Uttar Pradesh	16.9	5.1	60.8	7.3%
Gujarat	16.3	4.9	58.7	7.0%
Karnataka	16.3	4.9	58.6	7.0%
West Bengal	12.1	3.6	43.5	5.2%
Rajasthan	10.0	3.0	36.0	4.3%
Andhra Pradesh	9.7	2.9	35.0	4.2%
Telangana	9.6	2.9	34.5	4.1%
Madhya Pradesh	9.4	2.8	33.7	4.0%
Kerala	8.5	2.6	30.8	3.7%
Delhi	8.3	2.5	29.9	3.6%
Haryana	7.8	2.3	28.1	3.4%
Bihar	5.9	1.8	21.4	2.6%
Odisha	5.5	1.6	19.7	2.4%
Punjab	5.4	1.6	19.4	2.3%
India	**236.4**	**61.2**	**836.7**	**100.0%**

Source: NSO, MOSPI, RBI, FSIAPL

The above 16 states account for 92.0% of the retail consumption in India and 80.8% of the computer hardware & peripherals market in India in 2021. Maharashtra (12.1%), Tamil Nadu (7.7%), Uttar Pradesh (7.3%), Gujarat (7.0%), Karnataka (7.0%), West Bengal (5.2%) and Rajasthan (4.3%) account for 50.6% of the total computer hardware & peripherals market in India.

The sales are high in Southern states (29.2%) followed by Western states (20.6%). Maharashtra and Gujarat are only two states considered in western part therefore the percentage share is 20.6%. But metropolitan cities in these two states provide high consumption potential of consumer hardware & peripherals for the companies.

Zone wise market share of computer hardware and peripherals in India (%)



Source: NSO, MOSPI, RBI, FSIAPL

Services offered by companies and retailers in the country

Largest retailers in the country not only provide quality products from their brick and mortar stores but also through their websites. They have discount offers to attract their customers. These retailers tie up with financial institutions and provide various facilities in relation to payments like credit card payments, EMI facilities, Buy Now Pay Later (BNPL) services which help customers to buy expensive product with monthly payment. This seems like a win-win situation for both the customers as well as companies. India being a low-end market create a lot of challenges for premium products to penetrate the market. Innovative financing creates a solution to the players and also help financial institution to take a slice out of the industry growth in the country.

These retailers also act as a buying guide for the customers and help them understand the latest technology across Laptops, Desktops, Printers, Displays and accessories. Along with the warranty and guarantee, companies provide a care pack service which is an extended coverage at an affordable price.

Care pack services

Features	1 year standard warranty	Care Pack
Total years of coverage	1 year	2 - 5 years
Next business day exchange	×	✓
Remote problem diagnosis and suport	✓	✓
No deductibles or hidden fees	✓	✓

Source: FSIAPL

Companies are educating the customers about their products and how can users make their devices more efficient and faster to use. They guide their customers about which product would be suitable to them according to their use and accordingly sell their products. Tech guide forms crucial part of company's service because young demographics are more aware about different products and are tech savvy which makes it essential to offer them right products otherwise it may impact their brand image.

Retailers also provide store support and product support to the customers because after sales also form important part of customer satisfaction. Quick and smooth services post sale of the product help the players to not only earn revenue from the customers for their services but also retain the customer in future.

Store support	Product support
Track order	Support & troubleshooting
Store contact	Software & drivers
Store FAQ	Support forums
Care packs	Business products
Return policy	
Payment	

Source: FSIAPL

Companies provide sales support as well as post-sales support on messaging platforms which makes it comfortable for the customers to reach to the companies for their problems.

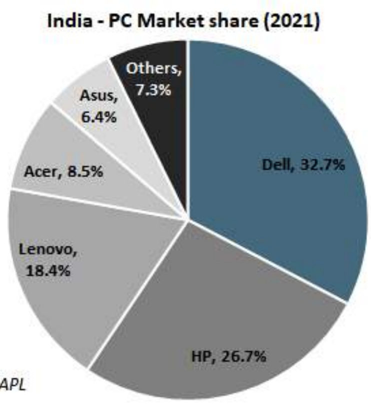
Global player competition (specifically Chinese accessories players)

The global market for electronics is approximately USD 2.9 trillion. Electronics has now become the world's leading traded commodity, along with oil. Indian electronics market is around ~3.0-4.0% of the global market which is very low.

EMS companies such as Foxconn, Flextronics, Jabil, Wistron, Dell, Lenovo, and HP, already have a presence in India primarily foraying into mobile phone manufacturing/ assembly. Global brands such as Samsung, Apple, HP, Dell, ACER, Lenovo and ASUS are also expanding their presence in India. Global brands usually have a leaner cost structure, better economies of scale, understanding of core operations and technology and invest heavily in R&D. Global brands leverage the manufacturing set-up of EMS players to produce and market their products competitively. Global manufacturers' focus on producing at scale, combined with their need to diversify, augurs well for them to set up base in India and develop a component ecosystem to make products in India for the world. This may fructify provided India offers an incentive plan over the next 4–6 years that may compel companies to shift their production from competing East Asian destinations such as Thailand, Indonesia, Vietnam and Philippines, etc.

Overall, trade data suggest that domestic production is insufficient to meet local demand, with India needing to rely on production in other major manufacturing hubs in Asia, namely in Singapore, Hongkong, Vietnam and China to meet the demands of the large, domestic market.

As per IDC, Dell is the largest PC vendor in India with market share of 32.7% It was followed by HP, which has a market share of 26.7%. The two vendors were ahead of Lenovo, Acer and Asus, which had shares of 18.4%, 8.5% and 6.4%, respectively in 2021.



Source: IDC, FSIAPL

Most of the leading electronics firms are present in India. With appropriate policies that incentivize increasing the scale of their production, the potential for a manifold increase in manufacturing is high in the country. Below table shows the scope of expansion of output in India for the major firms. Currently, their production in the country accounts for a very small share of their global production.

China – the biggest competitor of domestic players in India

Currently India continues to import most of electronics products, and mostly from China. It is no surprise then that the growth in computer hardware manufacturing in India has been abysmal because India currently suffers a cost disability of 7.52%–9.8% vis-à-vis Vietnam and 17.32%–19.0% vis-à-vis China for the manufacturing of these products locally.

China dominates the global competition with high exports. 66.0% of laptops and tablets are made in China. China exports 25.5% of consumer electronics of top 9 exporting countries of the world which includes US, China, Singapore, Malaysia, Vietnam, UK, Germany, Hongkong and Taiwan. Though Indian market is considered potential market for electronics sales in coming years, domestic players lag behind in manufacturing of computer hardware and peripherals due to low import duty, low economies of scale leading to high cost and high dominance of China in the sector. Therefore, global players especially China dominate the Indian market.

The single largest segment that contributed to the India's trade deficit was in electronic components. This is due to the import of inputs, such as integrated circuits (CPU, RAM chips), transistors and diodes to be utilised in assembly facilities in the country. China account for 60.4% of the total import of India followed by Singapore (13.3%), Hong Kong (12.8%) and USA (3.2%). All the other countries constitute only 10.3% of the total import of India. Therefore, China is the biggest threat to the domestic players of computer hardware and peripherals market.

China accounts for a majority of global electronics manufacturing, as compared to India's meagre 3.0%. Domestic manufacturers may not expand substantively as domestic sale/ range-bound market size offers limited opportunities.

List of leading contract manufacturers in Taiwan and China

Company	Headquarters	Manufacturing locations	Revenues (USD million)
HonHai Precision (Foxconn)	Taiwan	China, India, Japan, Vietnam, Malaysia, U.S.	1,78,600
Pegatron	Taiwan	China, Indonesia, US, Europe, India	45,672
Wistron	Taiwan	US, Europe, China, Taiwan, India	29,358
BYD Electronic	China	China	7,616
Universal Scientific Industrial	China	China, Taiwan, Mexico, Poland	5,343
New Kinpo Group (parent – Kinpo Electronics)	Taiwan	US, China, Thailand, Malaysia, Brazil, Mexico, Philippines	4,598
Shenzhen Kaifa	China	China, Malaysia, Philippines	1,899
Pan International	Taiwan	China, Taiwan, Malaysia, Thailand	856
Global Brands Manufacture Ltd.	Taiwan	Taiwan, China	730
Orient Semiconductor Electronics	Taiwan	Taiwan, China, US	586
Shenzhen Zowee Technology	China	China	480
DBG Technology	China	China, Hong Kong	315
3CEMS Group	China	China	NA

Source: ICEA, FSIAPL

India's import of laptops has increased by 42.0% in value terms in the last five years from the period FY16-FY21. 87.0% of which continues to come from China. Just like laptops, two-thirds of all tablets sold in India are imported from China. In absolute terms, India's dependency on China is very high.

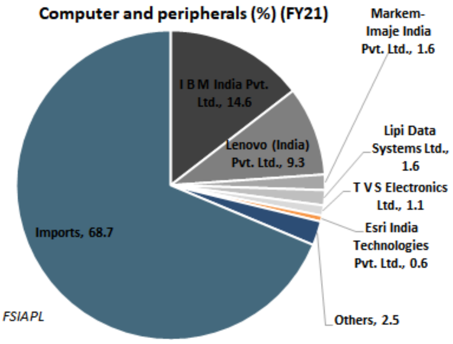
Factors impacting cost reduction in electronics manufacturing

Sr.No.	Factor resulting in cost reduction	India	Vietnam	China
1	Corporate income tax exemption/reductions	0.73%-0.95%	1.5%-2.0%	2.0%
2	Subsidy for machinery and equipment	Nil	0.20%	3.0%
2A	State subsidies in India for capital investments	0.6%-1.2%	NA	NA
3	Cost of power	0.0%	1.0%	1.0%
4	Interest subvention on working capital	0.0%	1.5%-2.0%	3.0%-3.5%
5	R&D subsidy	0.2%	0.4%-1.0%	2.0%
6	Incentive for supporting industry	0.0%	0.5%-1.0%	0.0%
7	Manufacturing incentives	-	0%	1.0%-2.0%
8	Exemption/reduction of land rental	0.0%	0.50%	0.6%
9	Industrial land development support	0.4%	0.50%	0.6%
10	Building (or plug and play)	Negligible	0.30%	1.0%
11	Labor subsidy	Negligible	0.50%	2.0%
12	Logistics	0.0%	0.50%	1.0%
13	Factors affecting 'Ease of Doing Business'	-	1.5%-2.5%	2.0%-3.0%
14	Duty-free imports for creating fixed assets, and of inputs not available domestically	0.0%	0.5%	-
	Total	**1.88%-2.7%**	**9.4%-12.5%**	**19.2%-21.7%**
	Cost disability differential for India, Vietnam and China	**-**	**7.5%-9.8%**	**17.3%-19.0%**

Source: ICEA, FSIAPL

To cater to the global market, India needs to address cost disabilities and promote exports from the country. It is estimated that the country suffers from various disabilities like high cost of power, tax, and ease of doing business. This renders India almost 10%–20.0% less competitive than Vietnam and China, respectively. India must address these issues in the long run. Meanwhile, the government should endeavour to offset these disabilities by providing incentives that are WTO-compliant, easy to implement and help India take off from the export runway.

Competition overview in India



Source: CMIE, FSIAPL

Computer hardware and computer peripherals manufacturing in India is very low. Therefore, global players dominate the Indian market with their products. Also, with the growth of e-commerce, an online sale of consumer electronics in India has increased exponentially. Specially, consumer electronics product has high share in total sales of e-commerce player in India. The biggest competitor of Indian players is import. The market share in the computer and its peripherals market is IBM India Pvt. Ltd. (14.6%) and Lenovo (India) Pvt. Ltd. (9.3%) and are the biggest players in the domestic market. Both the companies are the subsidiaries of the global players. The grey market for electronics also remains large in India with illegal products preventing OEMs from increasing their sales.

Cannibalisation also happens at high magnitude in computer hardware and peripherals segment. Sales of mobiles and smartphones impact the sales of laptops and desktops. Competition between domestic telecom players will continue to put downward pressure on mobile data prices, and stimulate consumer upgrades from featurephones on to low-cost, LTE-enabled smartphones. As a result of this competition, many Indians continue to pass on PCs and tablets and are purchasing smartphones to access the Internet. The smartphone market is deepening as the supply of low-cost devices increases.

In case of last stage of distribution, Croma was the first multi-brand store to sell consumer electronics among other retail products. Croma currently has more than 150 stores in India. Other retailers are NEXT Retail (600+ stores), Reliance Digital (1850+ stores), e-zone (92+ stores), Viveks (34+ stores), Lotus (19 stores) and Vijay Sales (120+ stores).

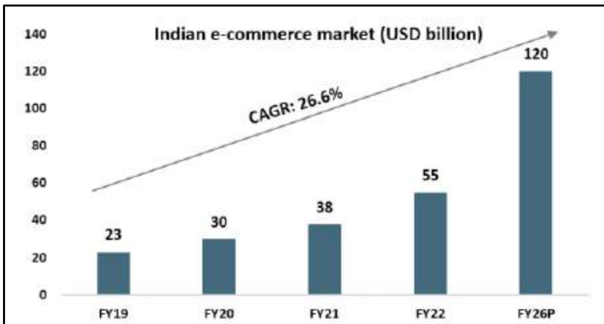
Company	Parent/ Owner	Sub-sector	Stores
Croma	Infiniti Retail (TATA)	Home appliances, electronics	150+
NEXT Retail	Private	Home appliances, electronics	600+
Reliance Digital	Reliance Industries	Home appliances, electronics	1850+
e-zone	Future Group	Electronics	92+
Viveks	Private	Home appliances, electronics	34+
Lotus	Private	Home appliances, electronics	19
Terminal	Salora Retail Ventures	Home appliances, electronics	NA
Vijay Sales	Private	Electronics	120+

Source: FSIAPL

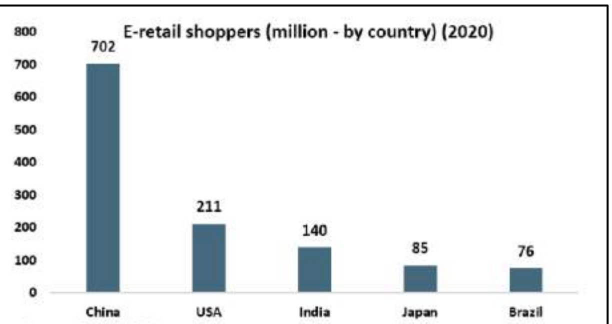
E-commerce

The consumer electronics and apparel segments of the Indian e-commerce retail market represented about 40.0% of the total market share in 2020. All other segments had a volume share of less than 10.0%. At least one electronic item was ordered online from 97.0% of pin codes of the country. 1 in every 2 smartphones are now sold online, 1 in every 5 laptops, desktops and tablets are sold online while 1 in every 10 appliances (personal and home) are sold online.

The competition in the e-commerce business in India is fierce. The market is filled with many local and foreign companies trying to hold the maximum market share. Amazon India and Flipkart are the prominent players in the local market. Amazon India outnumbered all other Indian marketplaces with more than 295 million visitors per month by July 2021. Second was Flipkart with more than 167 million visitors per month. All other Indian marketplaces did not cross the hundred million mark.



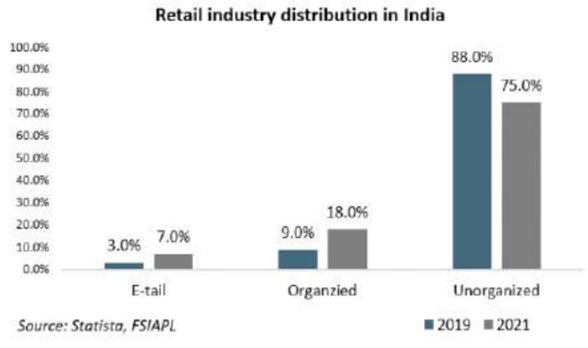
Source: IBEF, FSIAPL

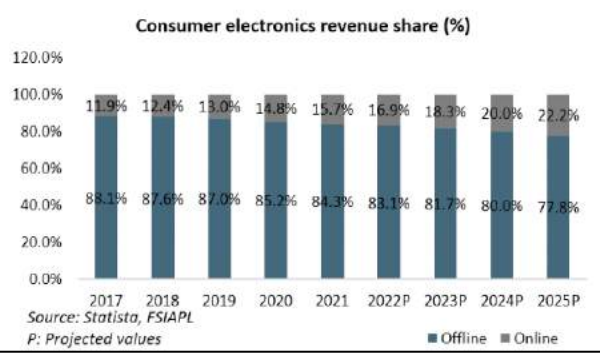


Source: IBEF, FSIAPL

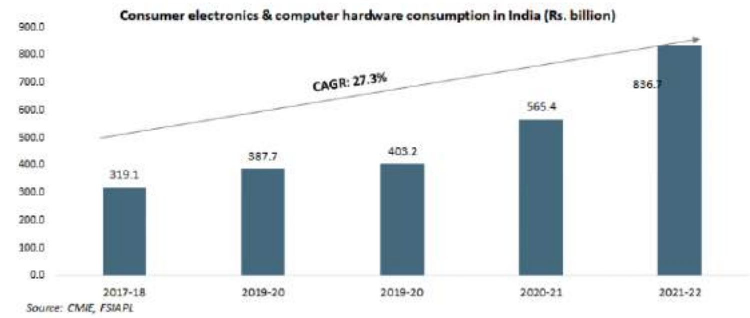
Small retailers are typical ‘next-door store’ with small floor space but they are getting squeezed by the multi-brand outlets and eCommerce sites. Online players with vast logistic network and supply chain are enticing customers with deep discounts. Sales have been shifting online, and this is hurting offline retailers. There is a growing trend of customers checking the product price online and then coming to a brick and mortar retail store to negotiate for same price, shrinking their margin and losing interest in running a retail store business. Consumers are also adopting the practice of browsing products, touching and feeling at offline stores but purchasing online due to attractive discounts. It is not possible for brick and mortar retailers to compete against the deep discounts offered by online retailers.

Growing inclination of the customers towards e-commerce purchasing has adversely affected profit margins of small retailers. E-commerce predatory pricing is a major threat faced by the bricks and mortar outlets. A branded PC is available at 5-15.0% discount compared to the maximum retail price. E-commerce companies are selling at even heavier discounts, which is a serious threat to the offline retailers. These companies tend to sell electronic products at 10-15.0% lesser than their MRP.





Indian computer hardware & computer peripherals (consumption, economic comparison for manufacturing & distribution, Top 10 products)



India's PC penetration of 15 per 1000 people is very low as compared to USA (784 for 1000 people) and China (41 per 1000 people) which reflects the growing opportunity in India. Similarly, the usage of the computers and its peripherals in commercial and industrial establishments and offices is likely to grow at a steady pace. Similarly, with the availability of 5G networking capability, network equipment (Routers, Switches, WLAN) are poised for a fast growth in the coming decade.

With the increasing adoption of 'work from home' and 'hybrid working models', the demand for laptops has seen an exponential growth over PCs in the recent past. Both desktops and laptops/notebooks have seen growth owing to the bulk buying by most corporates with the increasing adoption of digitalisation. The Indian traditional PC market includes desktops, notebooks, and workstations, which registered strong growth during 2021. According to International Data Corporation (IDC), the traditional PC market clocked y-o-y growth of a whopping 44.5% in 2021 (January to December) to reach total shipments of 14.8 million units. The notebook category emerged as the volume driver with shipments reaching as many as 11.6 million units in 2021. On the other hand, the desktop category recovered from a steep decline in 2020, to a handsome 30.0% y-o-y growth. This can be attributed to strong demand from enterprises, SMB, and consumer segments. With the country heading towards normalisation, the demand for PCs saw a huge recovery in Q4 2021, clocking shipment of more than 4 million units. The demand for desktops were driven by education and VLE segments, shipping more than 8,00,000 units for the first time in 8 quarters. In Q2 2021, notebooks clocked more than 3 million units of shipment for the second quarter in a row. On the back of the huge commercial demand of PCs, this segment posted a sharp growth of 81.4% on a y-o-y basis in Q4 2021.

Growth drivers

- India is the second-most populous country in the world with a population of 1.4 billion in 2021 with a median age of 26.7 years. With a majority of the population of the country being young, India is expected to grow faster across various sectors, especially IT and IT peripherals market
- India has ~12 million retail outlets, of which only 10 to 15.0% are digitised. Such outlets are expected to grow by more than 35.0% during the period 2021 – 2028. The growth is expected to be driven by specific categories such as consumer durables and electronics, food and groceries and quick service restaurants (QSRs), which are forecasted to grow at 27.0%, 20.0% and 15.0% y-o-y, respectively. Further, the apparels and footwear category are also expected to record double-digit growth

- India has seen an incremental growth in its urban population over the past decade. The country's urbanisation rate is expected to reach around 40.0% by 2025 driving the demand of IT and IT peripherals

- The IT spending by the Indian government is estimated to reach USD 8.3 billion in 2022, recording a y-o-y growth of 8.6%. This growth is likely to happen on the back of the fact that digitalisation has been gaining increasing traction, and has taken a giant leap in 2020 owing to the pandemic. Migrating from legacy systems to digital would be a major reason for IT spending growth in 2022. According to Gartner, IT spending in India is estimated to increase to USD 101.8 billion in 2022 from USD 81.89 billion in 2021 driving the IT and IT peripherals market

- The per capita net national income in India is estimated to increase from ~Rs. 1,25,000 in 2020-21 to ~Rs. 1,50,000 in 2021-22, at current prices, thereby, indicating the increasing ability to spend

- The huge IT workforce of the country coupled with IT infrastructure has helped India emerge as a global investment hub. The data annotation market in India stood at USD 250.0 million in 2019-20, which is expected to grow to a substantial USD 7.0 billion by 2030 on the back of increasing domestic demand for artificial intelligence. Further, the Indian software industry is also expected to reach USD 100.0 billion by 2025. These factors are expected to drive the IT and IT peripherals market in India in the foreseeable future

- As stated by the Department for Promotion of Industry and Internal Trade (DPIIT), the computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) worth USD 81.31 billion between April 2000 and December 2021 driving the sectoral growth

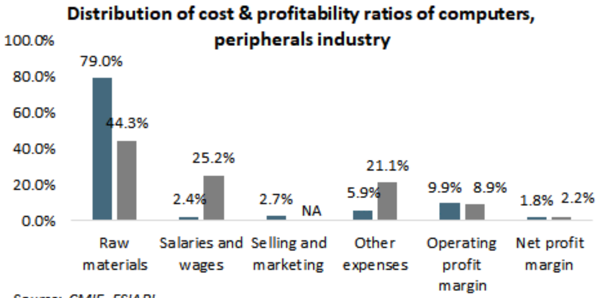
Economic comparison of distribution and manufacturing of computer hardware and computer peripherals

A product such as a computer, laptop or tablet is made up of around 20 components and assemblies that are sourced from around the world. Specifically talking about laptop, a bare chassis forms the outer shell and the first thing that is installed in the chassis is the motherboard (Printed Circuit Board Assembly or PCBA), which is the heart of the product. All other components and assemblies—the hard drive, memory, keyboard, LCD assembly (including the webcam), Bluetooth PCBA, and battery—are connected to it.

After the product is assembled, it goes through rigorous testing processes to make sure it is functioning as per the specifications and is ready for market consumption. Parts and assemblies are checked for correct installation and functionality. The processor, memory, battery, hard drive, power adaptor, webcam, etc., are checked, so is the LCD assembly for colour calibration, brightness, sharpness, resolution, and touch functionality. Functioning of all ports, buttons, keys, and mechanical functionality is checked. Laptops and tablets undergo drop tests to ascertain that the impact resistance of the devices is as per their designs. The product is then sent to a run-in area where the operating system and other necessary software are loaded, and extended hardware testing is undertaken. It is also checked for overheating. To ensure quality and reliability, the product is assembled in an air-conditioned environment, with anti-static flooring, air curtains, etc.

Once the process is complete, the product goes through a quality check. After clearing that, the product is packed, along with the accessories, and is ready for dispatch to the customer.

Comparing the distribution of cost and profitability ratios of distribution and manufacturing business, raw materials form the major cost for distribution business because it includes the finished goods inventory. For manufacturing, 44.3% cost is raw material cost. PCBA is 40.0% of bill of material of raw material cost in manufacturing business. Operating profit is high in distribution business at 9.9% but net profitability was high at 2.2% in manufacturing business in 2021.



Source: CMIE, FSIAPL
Note: Distribution cost is considered for the whole of retail distribution

Top 10 products

India is highly dependent on import for consumption of consumer electronics products in the country. More than 90.0% of the total product hardware and peripherals are imported. Therefore, the imports numbers give right rationale about the top 10 products consumed in the industry. The details about the top 10 imported products in 2021 are given below:

Rank	Top 10 products	2020-21 (USD million)
1	Camera Module; Display Assemblies, Connectors, Vibrator Motor for Mobile Phones	6,445.0
2	Laptop	4,745.0
3	Smart watch, Bluetooth Earphones/ Headsets	3,534.0
4	Mobile	2,230.0
5	Desktop/ PC	1,836.0
6	Battery Pack	321.0
7	Digital Camera	853.0
8	Charger/ Adapter	845.0
9	PCBA	538.0
10	Tablet	497.0

Source: ICEA, FSIAPL

Out of the total import of USD 21.8 billion in 2021 of the above products, Camera Module, Display Assemblies, Connectors, Vibrator Motor for mobile phones was the top most products with the share of 29.5%. Top 5 products account for 86.0% of the total imports in India.

INDIAN MOBILE PHONES MARKET

As per Ministry of Electronics and Information Technology, India produced Rs. 2,226.8 billion worth of mobile phones domestically during FY21. Over 200 manufacturing units for cellular mobile handsets and their sub-assemblies/ parts/ components have been set up in India during the last couple of years, resulting in estimated employment for about 7 lakh persons (direct and indirect). Most of the major brands (both foreign and Indian) have set up the manufacturing plants or have sub contracted their mobile handset manufacturing to Electronic Manufacturing Services (EMS) companies.

Segmentation of mobile phones

A mobile phone is a telephone with access to a cellular radio system so it can be used over a wide area, without a physical connection to a network. A mobile phone can be either a basic cellular phone or a smart phone.

Segmentation on the basis of type

Particulars	Cellular phones	Smart phone
Features	Make calls, send texts, take photos, and access the internet.	Make calls, send texts, take photos, access the internet, play games, and use apps
	Cheaper alternative to a smartphone	May include a digital assistant like Siri or Google Assistant
	Straightforward, simple interface	Sophisticated operating system with customization options
Operating systems	Simple and basic	Different operating systems like android, iOS, Windows and Symbian available
Costing	Costs less than a smart phone	Costlier than cellular phones. Available in different price range depending on the need

Source: FSIAPL

Segmentation on the basis of price

Segment types	Price range
Ultra Low-cost segment	Less than Rs. 3,000
Low- to medium segment	Between Rs. 3,000 - 10,000
Mid range segment	Between Rs.10,000 - 20,000
Affordable premium segment	Between Rs.20,000 - 35,000
Premium segment	Above Rs. 35,000

Source: FSIAPL

Supply chain model of a mobile phone

A mobile phone has an extremely complex supply chain that is basically made up of three areas:

- Extracting raw materials: At the bottom of the supply chain is the raw materials extraction, such as metals and metal ores. The raw materials are used to make the basic components of a phone. Often the raw materials are from mines. China is one of the world's largest suppliers of raw materials for electronic products.

- Manufacturing of components: The next few steps in the supply chain require manufacturers to transform the raw material into a usable material or component. The end product is made up of many different components each with its own supply chain. Component suppliers are numerous and will often specialise in particular parts which may be used by many different brands. A basic smartphone is comprised of the following components:

  - a circuit boards
  - an antenna
  - a liquid crystal display (LCD)
  - a microphone

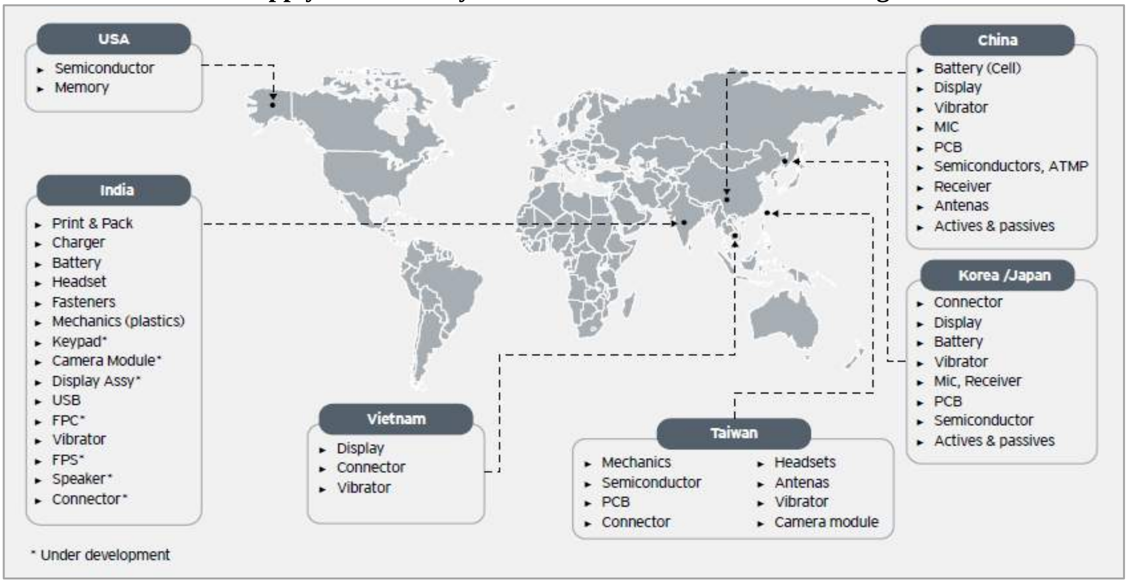
➢ a speaker

➢ a battery

➢ a camera

- <u>Assembly</u>: Once the components have been sourced from manufacturers they are taken to a factory for assembly. In China the largest company to assemble components for electronic companies is Foxconn. The iPhone is famously made at its Zhengzhou facilities in China.

Supply Chain eco-system of Smart Phone Manufacturing



Source: Ministry of Electronics and Information Technology

The global value chain of smart phones spans across the globe and various countries specialize in certain specific elements of the ecosystem. While development of complete ecosystem may take time in India. India shall strive to capture a significant share of the assembling ecosystem across entire electronics manufacturing industry.

Distribution channel of mobile phones in India

The distribution channel of mobile phone manufacturers in their domestic country and overseas market are depicted in the table below:

Distribution channel in domestic country

Seller	Distribution Channel	Consumer
Manufacturer	Exclusive agencies	Consumer
	Distributor (general merchandise stores, discount stores, department stores, home-shopping, online, etc.)	
	Direct Sales (B2B and online channels)	

Distribution channel in overseas market

<table>
<tr><th>Seller</th><th colspan="5">Distribution Channel</th><th>Consumer</th></tr>
<tr><td rowspan="7">Production subsidiaries</td><td rowspan="4">Regional sales office</td><td colspan="4">Retailer</td><td rowspan="7">Consumer</td></tr>
<tr><td colspan="2">Dealer</td><td colspan="2">Retailer</td></tr>
<tr><td colspan="2">Distributor</td><td>Dealer</td><td>Retailer</td></tr>
<tr><td colspan="4">Direct Sales (B2B and online channels)</td></tr>
<tr><td rowspan="3">Regional distribution office</td><td rowspan="3">Regional sales office</td><td colspan="3">Retailer</td></tr>
<tr><td>Dealer</td><td colspan="2">Retailer</td></tr>
<tr><td>Distributor</td><td>Dealer</td><td>Retailer</td></tr>
</table>

Source: FSIAPL

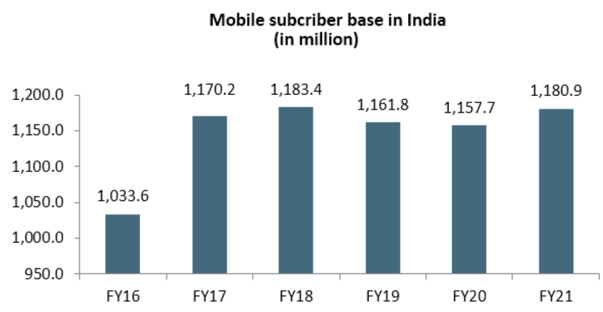
Most mobile brands have a strong presence across leading online channels including Amazon, Flipkart, Myntra, Tata CLiQ and Paytm, and has an offline presence in various cities through their own retail outlets and modern trade outlets including Croma, Reliance and Vijay Sales. These brands have presence through its own e-commerce website as well. India’s brick and mortar shops still account for around 60% of the overall mobile phone market. Hence many players have strengthened their offline networks in the recent years

Offline distribution strategy of key players are as follows:

- While the traditional offline channel includes national distributor, regional distributor, city distributor and a retail, before a product reaches a consumer, Xiaomi's 'direct to retail' strategy only includes a distributor and a retailer. The company also has a 'Mi Home concept' for offline market, where the product directly reaches the consumer.
- Samsung has service dealers who handle the key accounts for it. It also sells the products through large retailers. Consumers can browse through products in the showrooms and choose their items of choice. It should be mentioned that Samsung sometimes distributes its products through a single distribution company in a particular territory.
- Realme, which started as an online exclusive brand, is also taking a regional approach and focusing mainly Northern India and some focus on parts of East and West. They have one-layer distribution and lowest margins for trade. They have a pull strategy for the channels.
- Oppo and Vivo distributes its products through various channels such as retailers, distributors, wholesalers and brick & motors stores like single-brand retail outlets.

Mobile subscription trends in India

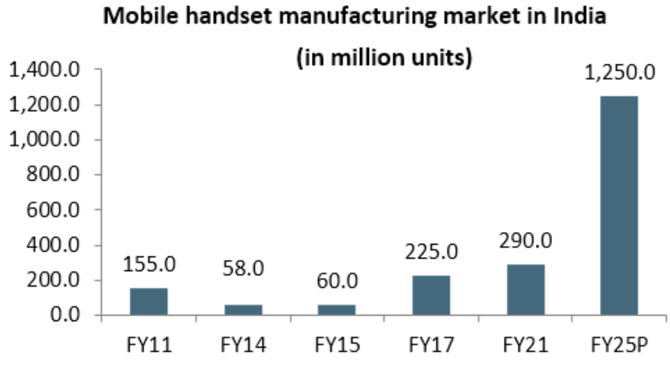
India will witness strong organic growth in mobile subscriptions, even toward the long term as mobile penetration still far from the 100% mark. Sustained price competition has made services affordable to the mass public, and operators have been driving subscription growth through the sale of cheap smartphones and feature phones. However, multi-SIM ownership inflates the true level of mobile penetration in the market, although the regulator and operators engage in periodic deactivations of inactive SIM cards. As per Telecom Regulatory Authority of India, the overall mobile subscriber base was 1,180.9 million as of FY21 in comparison to the mobile subscriber base of 1,157.7 million as on FY20 registering an increase of 23.21million



Source: Telecom Regulatory Authority of India, FSIAPL subscribers during FY21.

Mobile handset manufacturing market in India

India's mobile manufacturing journey began in the mid-2000s with the entry of Nokia. Nokia was attracted by the tax exemptions offered through Special Economic Zones in India, and set up a massive plant at Sriperumbudur in Tamil Nadu. Manufacturing grew impressively between 2008 and 2012 in India, with the major thrust coming from Nokia's production figures. During FY11, the country produced 155 million handsets, exporting 105 million. Subsequently, the Nokia plant scaled down and eventually closed in October 2014, due to a government freeze on assets in response to a tax dispute. Various component manufacturing facilities set up to support Nokia's manufacturing activity also shut down. The lack of policies to attract other smartphone manufacturers led to the collapse of India's mobile manufacturing. In FY14, production dipped to just 58 million units with exports going down to zero.

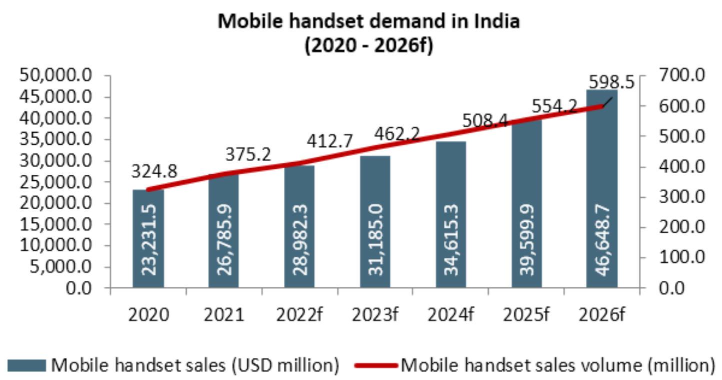


Source: India Cellular & Electronic Association, FSIAPL

Since 2014, the tide has begun to turn and India is rebuilding its mobile manufacturing base. With policies like the Phased Manufacturing Program acting as enablers, the country today has 120 mobile handset and component manufacturing units which have attracted an investment of roughly USD 1 billion. Production of mobile phones has increased at a CAGR of 30% from 60 million units in FY15 to 290 million units in FY21. If India extends its ambitions to the export market, it could manufacture around 1,250 million handsets by 2025.

Mobile handset market in India

India's mobile penetration rate is estimated to have remained just under 100% by the end of 2021. Mobile handset market was at USD 26,785.9 million in 2021 and it is estimated to reach USD 46,648.7 million by 2026f. As noted, the primary driver of value growth in the handset market over the medium term will be the increased share of smartphones in the device sales mix, but there will also be growth in total handset volumes as operators expand mobile services to new areas of the country.

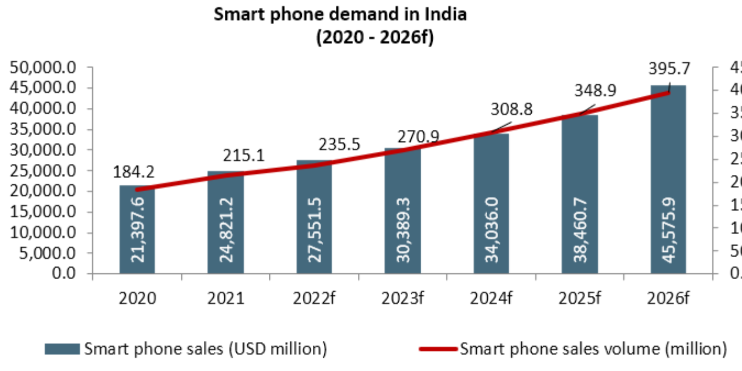


Source: FSIAPL

India sold 375.2 million mobile handsets in 2021. The sales are estimated to grow upto 598.5 million by 2026f. In terms of volume growth, smaller cities represent the largest target for handset vendors in the Indian market. Two-thirds of India's population reside in rural parts of the country, and vendors are expanding and strengthening their logistics networks and retail partnerships. In order to expand network coverage vendors must tailor their strategies to the fact that rural subscribers are typically price sensitive and voice-centric and this means entry-level handsets will continue to dominate feature phones. Aggressive tactics by local manufacturers mean that low-priced phones are increasingly feature-rich, and often come with cameras, dual-SIM, extended battery life and other features. The focus on the rural market has placed a premium on made-for-India features, such as 30-day battery backup, choice of languages, solar charge capability, dust-proof lamination and high-decibel speakers.

Smartphone market in India

Despite higher anti-China sentiment as a result of political clashes in mid-2020, FSIAPL estimates that cost-focused Chinese vendors (Xiaomi, Realme, Vivo, Oppo) continue to dominate the market at the expense of Indian brands, as well as South Korean vendor Samsung. Sales remained skewed toward the low end of the market, with sub Rs.15,000 phones being a popular category for consumers. Nonetheless, locally-produced smartphones, primarily assembled in India with imported components (though this dependence is declining) are gaining in popularity. Notably, brands such as Karbonn and Lava had taken advantage of deteriorating Sino-India relations to market their Indian credentials, although these devices still rely heavily on components manufactured in China and other parts of the world.



Source: FSIAPL

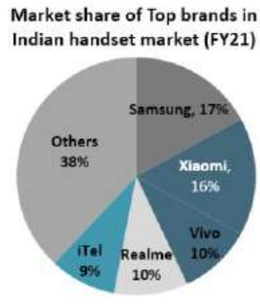
Companies including Apple and Xiaomi produce devices in the country through the use of contract manufacturers such as Hon Hai Precision (Foxconn), while Samsung's single largest smartphone assembly facility is situated in India. The large expansion in the supply of low-end smartphones will continue to catalyze an expansion in volumes. This is expected to be driven further by the launch of Production Linked Incentives (PLI) by the Indian government from 2021 onwards. Indian smartphone boom may not provide the same level of returns to vendors as earlier booms in other markets. This is because of low incomes compared with other emerging markets, the intensity of competition between the first wave of global smartphone vendors, Chinese vendors seeking growth outside their saturated local market and Indian brands.

The Indian smartphone market was valued at USD 24,821.2 million in FY21 and it will continue to exhibit strong volume growth in India over the coming years. The replacement smartphone market will continue to expand driven by rising volumes and value.

Rising component prices have led companies to abandon the entry-level category, which accounts for about 75% of the market by volume, choosing to move up the price ladder to the mid-premium segment, which has higher margins. The standout feature of the Indian smartphone market will, however, be the continued supply of first-time buyers, which we expect will decline only marginally.

Key players in the Indian handset market

Samsung captured the top position in the handset market in 2021, taking 17% share. Vivo and Realme followed with 10% market share each. Feature phone shipments reached 86 million units in 2021. Feature phones today pack several advanced features including 4G support, GPS, and even includes support for apps like WhatsApp, YouTube, and so on. iTel led the feature phone market, taking 24% share followed by Lava, Samsung and Jio. Rural consumers buy feature phones and are typically price sensitive and voice-centric and this means entry-level handsets will continue to dominate feature phones. iTel has been leading the feature phone market for the last two consecutive years.



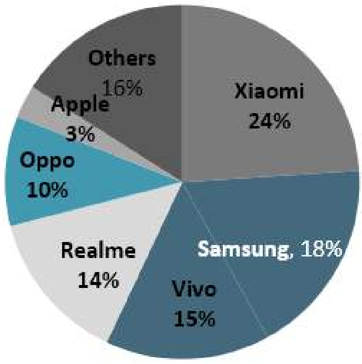
Source: FSIAPL

Key players in the Indian smart phone market

- Competition at the low-end of the Indian smartphone market will be heavily centred on the Android ecosystem, extending a trend that has already seen an erosion of the share of featurephone devices. However, sales of featurephones that feature the KaiOS have proved to be popular, given its ability to run mobile apps such as WhatsApp, YouTube and Facebook. The Jiophone and Jiophone 2 featurephones sold by Reliance Jio runs on KaiOS.

- Chinese phone makers Xiaomi, Vivo, Realme and Oppo continue to rule more than 60% of the smart phone market in India in FY21. South-Korean brand Samsung has also contributed to the overall smart phone sales in India.

Market share of Top brands in Indian smartphone market (FY21)



Source: FSIAPL

- Xiaomi maintained the top position in India's smartphone market in 2021 with 24% share. Component shortage in the second half of the year, which affected volumes in the mass market segment, led to slower growth. Xiaomi grew majorly in the affordable premium segment (Rs. 20,000 – 30,000) in 2021 with the Mi 11x series. The entry-level models, Redmi 9A/9 Power/9, were the major volume drivers. Poco, Xiaomi's sub-brand, emerged as the fastest growing online brand. Going forward, it will keep focusing on the affordable premium segment and offline expansion.

- Samsung remained at the second position in 2021 with 18% market share. Supply chain disruptions, absence of new Note series, reduced focus on the entry-level segment and fewer launches in the mid segment compared to the previous year led to an overall decline. However, Samsung was the top brand in 5G smartphone shipments in Q4FY21. Its campaign on providing maximum bands in 5G smartphones facilitated this growth. It also led the Rs. 20,000 – Rs. 45,000 segments with a 28% share. Samsung's foldable device (Fold and Flip series) shipments grew substantially in FY21. Samsung is planning to gradually exit the high volume but low value feature phone business in India, with the final batch of devices for the country set to be manufactured by contract manufacturing partner Dixon in December 2022. The company is thought to be focusing its efforts on higher price tiers.

- Vivo emerged as the top 5G smartphone brand in FY21 with a 15% share. It grew 2% y-o-y in FY21 driven by a strong performance of its Y series. It remains the leading player in the offline segment while simultaneously strengthening its hold in the online segment through its sub-brand iQOO.

- Realme was the fastest growing in FY21 with 20% y-o-y growth. Switching to 'Unisoc' to manage component shortages, production expansion through partnerships with EMS, focus on the premium segment with newly launched 'GT series' and high demand for its revamped C series and Narzo series favored this high growth for realme. Going forward, realme is aiming to provide 5G in all smartphones priced above Rs. 15000. It also plans to enter the ultra-premium segment.

- OPPO held the fifth position in FY21 with 10% market share. It now has a leaner portfolio in the budget segment as it is focusing on the upper, mid and premium segments. With a larger focus on higher ASP devices like the Reno 6/7 series, OPPO's play in the mid-premium segment has risen compared to previous years. However, its online presence remains limited.

- Apple, through original design manufacturers (ODMs) Foxconn and Wistron have also increased investment in the country, and in late-2019 began assembling iPhone XRs in India, as well as older iPhone models. iPhone 12 models were purportedly planned to be assembled in the country in 2021.

Government initiatives to boost manufacturing of mobile phones in India

The government's effort in making India a manufacturing hub is evident as below:

- NPE 2019 envisages strengthening India's linkages with global trade, integration with global value chains and build policies and incentive framework to boost exports. The policy aims to transform India into a destination for manufacturing and exports.
- The Ministry of Commerce and Industry is undertaking a major restructuring exercise to support India's outlook towards exports and Free Trade Agreements (FTAs).
- The trade policy is exploring half a dozen new bilateral FTAs with UAE, UK, Australia, Canada and EU in 2022. It has also launched a revitalized India-US Trade Policy Forum in November 2021.
- There has been a complete shift in strategy which goes beyond the vision of import substitution to 'Make in India for the World'. This fresh outlook as noted above is aimed at transforming India's manufacturing prowess by focusing on competitiveness, scale and exports.

Way ahead

With the increased availability of smartphones at affordable prices, the mobile phone has become more than a communication device, and services are becoming increasingly linked through mobile, the Internet and other digital modes of delivery. The growth of 4G services gave an impetus to the advent of the data revolution, which used these services. With the advent of 5G technologies, the future of mobile phone landscape looks promising, and the evolution of 5G would bring various new applications/technologies like artificial intelligence, quantum computing, virtual reality, etc., to the fore. 5G will generate data at unprecedented velocity and at an immense volume. This fast data will fuel a wide range of data-driven services and digital business models.

INDIAN MOBILE ACCESSORIES MARKET

Mobile phone accessories are additional devices and equipment used to enhance the functioning of the mobile phones. Indian mobile accessories market includes mobile chargers, cables, power banks, earphones/headphones, smart watches and activity bands.

1) Mobile chargers

Electronic devices such as mobile phones, tablets, cameras, laptops, head gear etc. which drain batteries at faster rates require mobile chargers to charge the batteries. In terms of data transfer, the USB (Universal Serial Bus) cable is used to link a variety of handheld devices to computers. The different segments of mobile chargers are as follows:

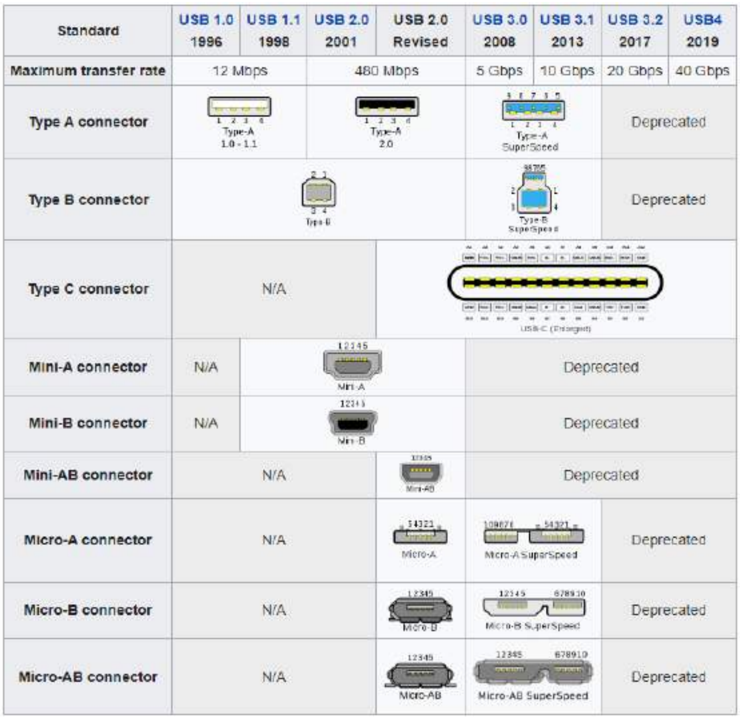
Parameter	Types	Features
Connector	USB-Type A Charger	USB-Type A chargers have male connectors that connect to the female Type-A ports present on a host device like computers or laptops. These cable cords have a rectangular shape with the bottom part comprising of the pin connectors
	USB-Type B Charger	USB Type B connectors fit into the female Type B ports present on large peripheral devices like printers, scanners and external storage devices. They have a characteristic square shape with sloped corners on the top
	USB-Type C Charger	USB Type C connectors refers solely the shape of a 24 pin connector which can be either a plug or receptacle. The connector has more pins than past USB cords, hence it can charge devices and transfer anydata quickly
	Mini - USB Charger	Mini-USB chargers are much smaller and thicker compared to other kinds of phone chargers. On one end of this charger cable is a standard flat end USB and on the other end you can find a smaller version of either Type-A, B or C Chargers
	Micro-USB Charger	Micro-USB Charger are physically smaller in size to Mini USBs and are OTG (On-the-Go) compliant. They support a high data transfer
Usage	Wall chargers	A charger connected to a wall. Charging a device from a wall outlet is typically faster than charging it from a USB port
	Car chargers	Car chargers are designed to be plugged into a motor vehicle's electrical system so as to draw power from the vehicle's battery
Port	Single Port	Used to charger solely for one device
	Multi Port	Used to charger multiple devices - smartphone, tablet, laptop

Source: FSIAPL

2) USB Cables

USB is an industry standard that establishes specifications for cables, connectors and protocols for connection, communication and power supply (interfacing) between computers, peripherals and other computers. A broad variety of USB hardware exists, including different connector types, of which USB C type is the most recent.

Different segments of USB cables



Standard	USB 1.0 1996	USB 1.1 1998	USB 2.0 2001	USB 2.0 Revised	USB 3.0 2008	USB 3.1 2013	USB 3.2 2017	USB4 2019
Maximum transfer rate	12 Mbps		480 Mbps		5 Gbps	10 Gbps	20 Gbps	40 Gbps
Type A connector	Type-A 1.0 - 1.1		Type-A 2.0		Type-A SuperSpeed		Deprecated	
Type B connector	Type B				Type-B SuperSpeed		Deprecated	
Type C connector	N/A			USB-C (Enlarged)				
Mini-A connector	N/A	Mini-A			Deprecated			
Mini-B connector	N/A	Mini-B			Deprecated			
Mini-AB connector	N/A			Mini-AB	Deprecated			
Micro-A connector	N/A			Micro-A	Micro-A SuperSpeed		Deprecated	
Micro-B connector	N/A			Micro-B	Micro-B SuperSpeed		Deprecated	
Micro-AB connector	N/A			Micro-AB	Micro-AB SuperSpeed		Deprecated	

3) Power banks

Power bank/ portable chargers is a portable device that can store electricity for charging phones, cameras, laptop and computers. They can charge up using a USB charger when power is available, and then used to charge battery powered items like mobile phones and a host of other devices that would normally use a USB charger.

The different segments of power banks are as follows:

Parameter	Types	Features
Type of charging	Universal power bank	Normally charged from a standard USB charger, once fully charged the power bank can be used to charge other devices
	Solar power bank	They have photovoltaic panels which uses sunlight to charge up. They can also be charged from a USB charger as well
	Wireless power bank	Has a charging pad with Qi Fast Charge output and one can place their wireless device right on top of the charging pad
Battery	Lithium-ion power bank	Higher energy density, can store more power and are cheaper to manufacture
	Lithium-polymer power bank	Light weight, slim and considerably fast charging
Capacity	1000 mAH - 20,000 mAH	Power banks come with different power holding capacities

Source: FSIAPL

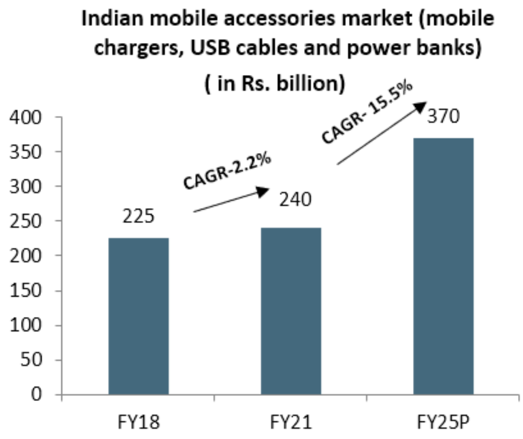
Distribution Channel of mobile accessories in India

Though the market is still largely fragmented and unorganized with grey, unbranded sellers having a big share of approximately 65%, the Indian mobile accessories market will continue to offer opportunities for branded players to survive and grow. The organized online segment has been growing the fastest. Online retail in the mobile accessories market includes retail through e-commerce marketplaces and Direct-to-Consumer platforms.

India has lakhs of multi-brand stores and hundreds of online retailers for mobile accessories. Availability of a strong distribution network and zeal to gain the competitive advantage are the essential driving factors for the providers of the mobile accessories to climb up the ladder. The slashing of the average selling prices of accessories has made the products affordable for consumers from all the economic strata, which has enabled the market to expand enormously. The pullback factors like lack of standardization, threat to privacy, counterfeit production of branded accessories and the compulsion to adhere to competitive pricing remain potent risks often setting limits to the providers of the Indian mobile accessories.

Market size of mobile accessories market (mobile chargers, USB cables and power banks)

The mobile accessories market (mobile chargers, USB cables and power banks) was range bound during the period FY18-FY21 due to the Covid-19 pandemic. The market grew at a CAGR of 2.2% from Rs. 225 billion in FY18 to Rs. 240 billion in FY21. Various brands are entering the market and the mobile accessories market is expected to grow at a CAGR of 15.5% from Rs. 240 billion in FY21 to Rs. 370 billion in FY25P. The rapid proliferation of smartphones and mobile-enabled devices is a major factor in augmenting the demand for mobile accessories in India. Growth in the segment is driven by growing Gen Z and Millennial population with relatively higher disposable incomes and digital maturity, rising smartphone penetration and affordability of data plans.



Source: FSIAPL

4) Earphones and Headphones

Hearable technology is referred to as a hybrid technology which combines the advantage of wearable technology with hearing devices. These devices are used for sound applications, audio masking, directional hearing, audio analysis, noise cancellation, and other applications in various industry verticals. Hearable devices in different industrial applications are now enabled with inbuilt voice-enabled virtual assistant and wireless communication features.

Segmentation of Indian Hearables market

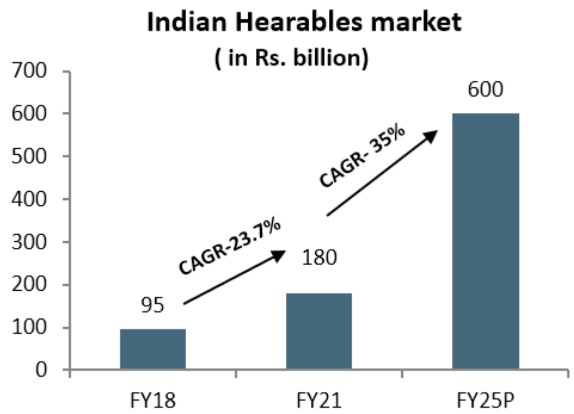
Parameter	Types	Features
Design	In ear design	These are the smallest and most portable type of earphones. They rest in the bowl of the ear, outside the ear canal, though a portion might extend into the canal.
	Ear clip design	These headphones are compact and have ear-loops to keep them in place
	Neckband design	Provides convenient controls, better mics that are nearer to the mouth, and bigger batteries
Connectivity	Wired	These headphones come with dependable wire which one has to insert into their source of music. They offer a stable and lag-free connectivity, which in return ensures top class audio clarity. One doesnot have to worry about charging them
	Wireless	These headphones gets connected with bluetooth and provides freedom of mobility, comfort and convenience
Utility	Music & Entertainment	Driver quality, noise-cancellation, and comfort level
	Workout	Decent sound quality, durability, reliable performance (with minimal dropouts), battery life and noise cancellation (as well as hear-through or transparency modes)
	Gaming	Ability to listen to big sounds and little details
	Travel	Compact and lightweight without compromising on sound or good noise isolation
	Work from home	Comfortable to wear, earphones with mic, good audio output

Source: FSIAPL

Market Size of Indian Hearables market

Indian hearables market mainly comprises of headphones, earphones, wireless earbuds and wireless neckbands. The Indian hearables market has grown significantly at a CAGR of 23.7% from Rs. 95 billion in FY18 to Rs. 180 billion in FY21. The growth was primarily driven by new launches, discounts across channels and aggressive marketing by various brands. The market growth in the last one and half year was aided by an array of affordable products targeting gaming, office and online education segments.

The market is expected to grow in double digits at a CAGR of 35% from Rs. 180 billion in FY21 to approximately Rs. 600 billion in FY25P.



Source: FSIAPL

Headphones have evolved and witnessed vast improvements in terms of technology over the years. Shift in preference of consumers from wired headphones to wireless headphones is expected to affect the market significantly. Wireless communication via Bluetooth earbuds technology has been a breakthrough for headphones. Wireless headphones are enabled with Bluetooth and Wi-Fi technology, which facilitate the users to link their phones to other devices and headsets. The revolution of technology in the miniaturization of electronic devices is allowing to design more reliable & portable wearables and contributing to the continuously changing health monitoring tactic. The popularity of neckband devices is also increasing as users are upgrading from a wired ecosystem and also want an alternative hearable device. Hearable computing is the next emerging technology, which promotes hands-free calling and communication, ensures voice communication in a noisy environment, and provides a solution by combining signals from in-ear and external microphones.

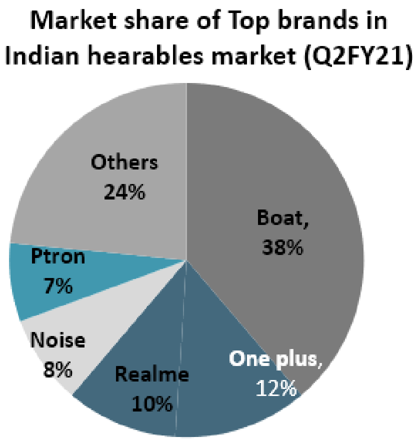
Key players in the Indian hearables market

The Indian hearables market has been witnessing an exponential growth in players in the last one and a half years with more than 40 companies entering the fray. The market for wireless hearing aids grew significantly aided by an array of affordable products targeting gaming, office and online education segments. The share of the Rs. 1,000-2,000 price band grew to 60% of the overall shipments in FY21. India saw the maximum number of new launches in Q3 2021 with a major emphasis on the low- to mid-price segments (less than Rs. 2,999). In this quarter, brands like realme followed the partner brand/sub-brand strategy with the launch of Dizo and Omthing respectively to expand their reach and enhance competitiveness.

Top 5 players constitute more than 75% of the Indian hearables market. Boat topped the charts with a 40% share of the total hearables' shipments in Q2FY21. It was followed by Oneplus (12%), Realme (10%), Noise (8%) and Ptron (7%).

- Boat captured approximately 38% market share in the overall Indian market during Q2FY21. Apart from its strong integrated marketing strategy and keeping up with the trends of multiple launches and value-for-money offerings, it also actively participated in multiple sales events, like the Amazon Great Freedom Sale and Amazon Prime Day Sale. It even hosted a 'Boathead Days' sales event on its e-brand store. Above all, its model Airdopes 131 was the bestseller for the second time and reached 1 million units for the first time.

- OnePlus added many products to its portfolio. However, the OnePlus Buds Pro mainly caters to the premium segment. OnePlus also offered discounts on its existing models during the Amazon Freedom Sale and at Amazon Rakhi Store.



Source: Counterpoint, FSIAPL

- Realme rose to the third spot with an 10% share driven by the success of its mid-range device Buds Air 2 and latest release Buds Q2 Neo in the low-price segment. In addition, realme stood number one in the mid-price segment of Rs. 3,000 – Rs. 4,999. The Chinese brand also hosted a 'realme Fan Festival' event on its e-commerce website to provide the latest devices at a more affordable price point.

- Noise had an 8% share and moved one step up to grab the spot driven by multiple offerings in the low-price segment. Like Boat, it also launched new devices during the Amazon Prime Day Sale and offered multiple discounts. It added newer devices such as the Buds VS102, Buds VS103 and Buds VS303 to its low-range VS series during Q2FY21.

Players are looking to make these devices locally to reap the benefits of the government's PLI scheme. Domestic manufacturing is gaining more significance as more brands continue to partner ODMs to bring made-in-India devices and enhance their production capabilities. Noise partnered with Optiemus, promising to offer multiple locally made devices in the coming quarters. Similarly, realme announced a partnership with Khy Electronics. Another Indian brand, Ambrane, set up a unit to locally manufacture audio devices. Ptron also elevated the progress of its domestic manufacturing capabilities and expects to double its revenue by next year. Mivi launched its first Made-in-India hearable device, DuoPods A25 during FY21. Mivi is the second brand after Ptron to launch a Made-in-India hearable product. Boat also decided to shift most of its manufacturing base to India to provide more affordable devices. The latest entrant, Aiwa, is also exploring a similar possibility, which indicates that more brands are likely to follow this path to offer new features at low price points.

Growth drivers for Indian Hearables market

The various factors impacting the growth of the Indian hearables market are as follows:

<u>Increase in Demand for Wireless Headphones and infotainment Devices</u>

Headphones have evolved and witnessed vast improvements in terms of technology over the years. Shift in preference of consumers from wired headphones to wireless headphones is expected to affect the market significantly. Wireless communication via Bluetooth earbuds technology has been a breakthrough for headphones. This is attributed to the fact that wireless headphones are enabled with Bluetooth and Wi-Fi technology, which enable the users to link their phones to other devices and headsets. The sale of electronic infotainment devices such as mobile phones, laptops, vehicle infotainment device, digital music systems, digital TV, and others, is growing at a high rate, and headphones are major accessories for these devices. Smart headsets offer multiple benefits, including convenience; high-definition sound quality; multiple user facility; and freedom from wire maintenance, portability, and mobility. Thus, increase in use of infotainment devices is one of the factors driving the growth of the hearable market.

Rapid technological advancements in voice user interface

Implementation of technologies such as Bluetooth/NFC speakers, Wi-Fi, noise cancelling technology, language translation, fitness & heart rate tracking, voice-based personal assistants, contextual location-based suggestions, environment-based noise suppression or audio enhancement, and gesture & touch-based control, have led to increase in adoption of smart headphone across domestic and commercial sectors. Hearable computing is referred to as the next emerging technology in the coming years. It is a genre of wearable computing and is expected to be the ultimate human user interface. It promotes hands-free calling and communication. In addition, it ensures voice communication in a noisy environment and provides a solution by combining signals from in-ear and external microphones.

Surge in demand for miniaturized wearable electronic devices for health monitoring

Rapid advancements in the trend of wearable health devices in the consumer market has majorly impacted the growth of hearable market. Consumers are investing in smart hearables to monitor health status and prevent from the treat of hearing loss in extreme noise conditions. Furthermore, the revolution of technology in the miniaturization of electronic devices is allowing to design more reliable & portable wearables and contributing to the continuously changing health monitoring tactic. Also, these devices allow to continuously monitor human vital sign during the daily life or in clinical environment with benefits of minimizing discomfort and interference with normal human actions. All these factors of emerging wearable health devices assist in boosting the market growth.

Multiple Use-Cases

There are multiple use cases for hearables, which lead consumers to own multiple pairs of headphones/earphones for specific purposes. This is particularly applicable to Gen-Z and Millennials who are evolved users and hence own different set of devices for gaming, travel, calling and other purposes. This is also leading to shorter replacement cycles for hearables as consumers diversify their use-cases and brands deliver with innovative products in a fast-paced market.

Unbundling of Earphones and Smartphones

Over the past few years, most national and international smartphone companies have stopped providing wired earphones in their phone boxes. This unbundling has led to consumers buying hearable products separately - which created significant opportunities for players in the hearables market to innovate beyond the simplistic wired earphones provided by the smartphone companies, and offer a wide range of wired, wireless and truly wireless earphones and headphones.

5) Smart watches and activity bands

Indian wearables market consists of smart watches and activity bands. The betterment of mobile networks helmed the development of the wearable industry in India.

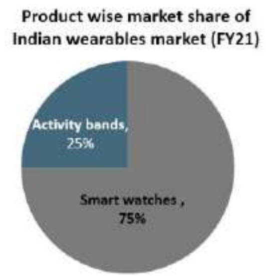
Segmentation of Indian Wearables market

Parameter	Types	Features
Product	Extension	They require a tethered phone to work. They are connected to the phone via Bluetooth, and can show notifications, alerts, calls, and more
	Standalone	Not connected with the phone. They have eSIM cards powerful microprocessors. They have built-in GPS, bluetooth, music library, social media etc
Application	Personal	Helps with notifications and personal updates
	Wellness	Analyze steps, distance, calories, heart rate, pulse rate etc.
	Sports	Energy level measurement, oxygen saturation measurement, stress level tracking, heart rate measurement, breathing rate, sleep analysis and menstrual cycle tracking
Operating systems	Watch OS	Watch OS is the operating system of the Apple Watch, developed by Apple Inc.
	Andriod	Andriod OS connects smart watches with andriod phones
	Wear OS	Wear OS is a version of Google's Android operating system designed for smartwatches and other wearables.
	RTOS	Real-Time Operating System (RTOS) encompasses proprietary operating systems that also allow for third-party applications on smartwatches.
	Tizen	Tizen is the operating system that Samsung has built its wearable devices

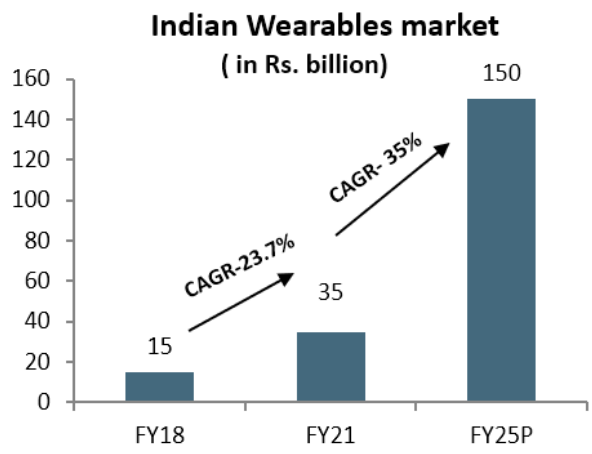
Source: FSIAPL

Market Size of Indian Wearables market

Indian hearables market comprises of headphones, earphones, wireless earbuds, wireless neckbands and speakers. The Indian wearables market has grown significantly at a CAGR of 32.6% from Rs. 15 billion in FY18 to Rs. 35 billion in FY21. The sales volume penetration of wearables in India was approximately 2% indicating massive headroom for growth in the future. Out of the total wearables market, smart watches constitute 75% of the Indian wearables market, while activity bands hold around 25% of the balance Indian wearables market. This would further be boosted as technological improvements in the wearables market reduce costs and prices causing the market to shift towards advanced product categories, offering better quality and consistency. The market is expected to grow in double digits at a CAGR of 43.9% from Rs. 35 billion in FY21 to approximately Rs. 150 billion in FY25P.



Source:FSIAPL

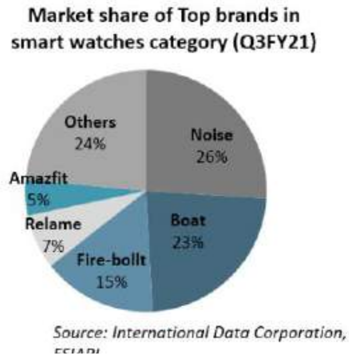


Source: FSIAPL

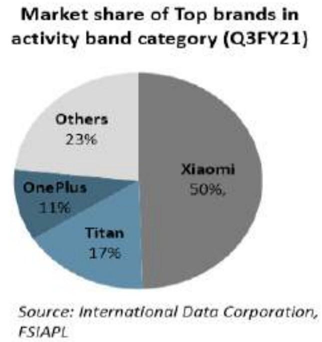
Wearable technology enables personalized healthcare by real-time, continuous, and longitudinal health monitoring. As a result, healthcare practitioners are now beginning to adopt wearables for patient monitoring, which is handy for prediction, prevention, and timely intervention. The proliferation of new entrants in the mass market segment has increased competition, putting a lot of pressure on brands to differentiate in a market that is getting inundated with lookalike products. Despite the logistic challenges and increase in freight costs, vendors remained aggressive in their shipments and were able to manage the inventory in Q1FY23.

Key players in the Indian wearables market

India-based brands have captured over two-thirds of the watch market with their aggressive offerings and marketing spends on digital platforms. Noise maintained its lead for the sixth straight quarter with a 26% market share in Q3FY21, followed by Boat with a 23% market share. Fire-Boltt replaced Huami for the third position as its share jumped to 15% in Q3FY21 from 5.5% from a quarter before. Realme with 7% share entered the fourth position backed by its newly launched watches, and Amazfit settled at the fifth position with around 5% market share. So far, these new-age brands have been able to limit the incumbent smartphone brands' ability to make any dent in their growth and continue to dominate the wearables category.



Indian activity band makers are developing strong in-house capabilities, innovative product offerings, technology superiority, and effective alliances including online e-commerce partners, retailers and distributors across the country. Xiaomi leads the market with 50% market share as of Q3FY21, while Titan and One Plus has 17% and 11% market share as of Q3FY21.



Growth drivers for Indian Wearables market

The various factors impacting the growth of the Indian wearables market are as follows:

<u>Improved features available makes the product attractive</u>

Smartwatches are designed to, either on their own or when paired with a smart phone, provide features like connecting to the internet, running mobile apps, making calls, messaging via text or video, checking caller ID, accessing stock and weather updates, providing fitness monitoring capabilities, offering GPS coordinates & location directions, and more. These features make the smart watches and activity bands attractive among the consumers.

<u>Growing health awareness</u>

The growing health awareness amid consumers boosts the demand for smart watches and activity bands. A smart watch allows the user to take the required health precautions ahead of time. Doctors can simply check their patients' health status from afar and maintain, prescribe, or treat them as needed. Most of the smart watches monitors the heart rate, nervous system activity, emergency or inactivity alerts, and health events.

<u>Integration of AI</u>

Artificial intelligence (AI) integration ensures smart diagnostics and patient health monitoring. Individual participation in sports and other physical activities is expanding, and this, combined with the emerging trends of adventure recreation & wellness tourism, is fuelling market expansion.

<u>Large base of youth</u>

Based on the United Nations Development Program's 2020 estimates, India's median age is 28.4, which is significantly younger than that of China (38.7) and the US (38.3). The working population of India makes up 55% of the total population of India. India will continue to contribute to the working population globally. Moreover, India has the largest Millennial and Gen Z population of approximately 708 million, which constitutes approximately 51% of India's total population. Large base of young population, who are technology driven and brand conscious is a major growth driver for wearables market in India. The repurchase frequency of the young population is also on a higher side indicating that the growth in future will be led by not just the new smartphone users, but also the existing smartphone users, who are likely to repurchase these products.

INDIAN HOME AUDIO MARKET

Home Audio segment majorly includes tower speakers, multimedia speakers, home theatre systems, sound bars, wired speakers and portable speakers.

Segmentation of Indian Home Audio market

Parameter	Types	Features
Design	Stereo speakers	Stereo speakers has two speakers - right and left, with one of them usually housing the power amplifier. While these speakers are good enough for music, one will miss out on a sub-woofer which typically helps in reproducing bass. Stereo speakers come in a variety of sizes and shapes, including thin and compact ones, floor standing towers to bookshelf format ones.
	Tower Speaker	The bigger size and more woofer drivers of tower speakers allows them to move more air through the drivers than desktop or bookshelf speakers, which generally allows them to produce deeper, more impactful bass than standalone bookshelf speakers.
	Multimedia Speaker	Deeper bass and clearer vocals are made possible with multimedia speakers. These speakers are perfect for anyone who wants to listen to good music, watch movies at home.
	Portable Speaker	Lightweight and easily portable. It is suitable for out of home experience especially during travel.
	Home Theatre Systems	Home theatre packages are setups that come bundled an audio amplifier-receiver, a subwoofer and satellite speakers. There is a subwoofer that reproduces low frequencies and others are satellite speakers for the front, center and rear channel speakers. These are suitable for in-house audio experience.

Source: FSIAPL

Market Size of Indian Home Audio market

The penetration of Home Audio market in India is rapidly increasing owing to the steady growth of the entertainment industry in the country. The Indian home audio market has grown moderately at a CAGR of 7% from Rs. 150 billion in FY18 to Rs. 185 billion in FY21. Rising disposable income, changing lifestyles, rapid urbanization, digitalization and advancement in technology are some of the major factors driving home audio equipment market. The rising awareness and adoption of home audio equipment due to advertisement and promotions on online channels boosts the sales of these products. The audio and voice user interface technologies are evolved significantly to offer a wide range of platforms providing higher levels of integration, immersive sound quality, wireless connectivity and on-device artificial intelligence for smarter devices. The home audio market is expected to grow in double digits at a CAGR of 10% from Rs. 185 billion in FY21 to approximately Rs. 275 billion in FY25P.

Growth drivers of Indian Home Audio market

Modern consumer is likely to invest on good-quality audio products that can be used in daily life. Continuous technological advancements in such devices and increasing investments in research & development are further accelerating market growth. Increasing usage of music storage equipment, popularity of high-speed data streaming and online entertainment are expected to foster innovations in the home audio equipment market. Other trends fostering the growth of Indian Home Audio market are as follows:

Growing innovation and advances in technology

There has been a tremendous growth in technology over the past decade. Vendors are upgrading their existing products with new technologies to improve sound quality and to provide users with a good audio experience. Technologies such as noise cancelation, extra bass, sound retrieval system, and dolby digital sound provide an enhanced listening experience to consumers.

High preference for wireless technology

Consumers are increasingly demanding for wireless technology for hassle-free maintenance and fast functionality. One of the major factors driving the sales of wireless speakers globally is the ability of speakers to easily stream audio content wirelessly. These portable speakers are available in various sizes and designs to suit consumer requirements. Most of the portable devices such as laptops, smartphones, and tablets are equipped with Wi-Fi and Bluetooth connectivity, allowing users to stream content wirelessly.

Rise in number of smart homes

Many homes are being remodelled to smart homes. A smart home consists of media and entertainment gadgets, consumer electronic devices and other smart electronics that interact with each other through a home network. Smart speaker segment in India is expected to witness significant growth over the period of next few years, with multiple players entering the segment. The smart speaker segment in India has mostly been dominated by players such as Amazon and Google for the past few years. However, brands such as Xiaomi, Bose, and Sony have entered the segment recently, with new speakers powered by Amazon and Google's voice assistants. The demand for smart homes is driving the need of smart audio speakers.

INDIA DIGITIZATION TREND

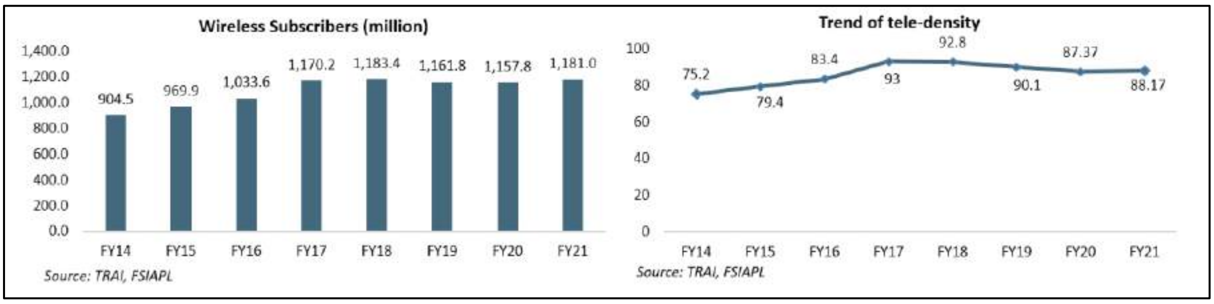
Every organization is already an IT organization today. Corporates or SMEs, every workplace today is accessing digital tools and solutions most organically to be more efficient and grow in competitive world. Futuristic technologies are adopted faster than ever in which global pandemic played a major role too. India is one of the fastest-growing digital markets in the race, after the US and China. The IT industry here has witnessed growth in the last two decades, and soon, it is expected to touch the USD 100.0 billion mark.

The Government of India has also been pushing ad supporting for rapid digitization, leading to increasing investments in the IT sector. In the recent Union Budget of 2022-23, the Government of India has made a few announcements which will lead to some major developments in India on the digitization front. Apart from direct digitization in banking, higher education, and health sector, the country will soon have its own Digital Currency issued by the Reserve Bank of India. Also, the government has announced that data centres will be given infrastructure status in the country allowing it to play a key role in enabling a digital economy.

Some of the major technological trends that will continue to transform the Indian digital landscape industry in the present year are the Internet of Things, Artificial Intelligence, Blockchain Technologies, Cloud Adoption, and Data Security & Cyber Protection.

Mobile phones and Internet

India's consumer digital economy is projected to reach USD 800.0 billion by 2030, from USD 85-90.0 billion in FY20, driven by increase in online shopping. Increasing mobile density and mobile internet users played key role in creating this market. The increasing mobile density and mobile internet users are being leveraged upon by companies to offer their services using mobile as an access device as well as an access channel. Companies have been offering various products and services through all three channels – SMS, USSD (Unstructured Supplementary Services Data) and mobile applications.



The increase in smartphones has helped to accelerate the adoption of digitization in businesses. Further, it has led to numerous innovations in business models and strategies, payment mechanisms such as tokenisation and scanning of QR code for making payments using smartphones. These have facilitated the shift from cash to non-cash payments.

Internet usage is on the rise in India. While the average Indian until 2013 used to spend more on voice services than on mobile data services, the majority of an average mobile bill now pertains to data charges according to a report by the Internet and Mobile Association of India (IAMAI). As on end March 2022, there were over 778.1 million and 47.2 million wireless and wireline broadband subscribers, respectively across the country. The increase in internet penetration has ensured adoption of digitization across the country.

Internet and Broadband Subscribers (million)

Segment	Category	Internet Subscribers (million)		% Growth
		Mar-20	Mar-21	
Wired	Broadband	19.2	22.7	18.6%
	Narrowband	3.2	3.2	0.2%
	Total	22.4	26.0	16.0%
Fixed wireless (Wi-Fi,Wi-Max,Radio&VSAT)	Broadband	0.6	0.7	11.5%
	Narrowband	0.0	0.0	0.0%
	Total	0.6	0.7	11.3%
MobileWireless (Phone+ Dongle)	Broadband	667.7	754.7	13.0%
	Narrowband	53.5	44.0	-17.9%
	Total	721.2	798.6	10.7%
Total Internet Subscribers	Broadband	687.4	778.1	13.2%
	Narrowband	55.8	47.2	-15.3%
	Total	743.2	825.3	11.0%

Source: TRAI, FSIAPL

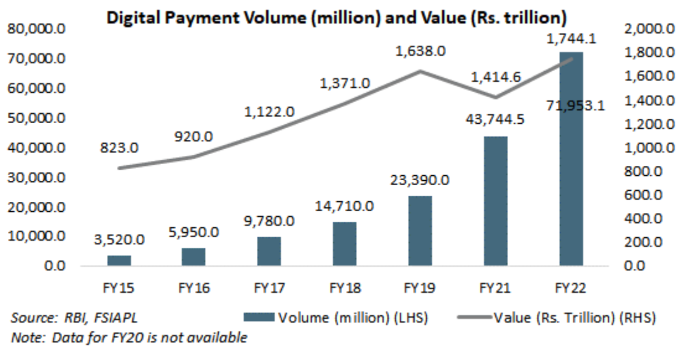
The Internet subscriber base in the country in FY21 stood at 825.3 million as compared to 493.96 million in FY18. The total broadband subscriber base of the country in FY21 is 778.1 million whereas it was 412.60 million in FY18. The number of urban and rural Internet subscribers is 502.53 million and 322.77 million respectively. The total internet subscribers for urban are 107.3 per 100 person while it is 36.2 per 100 person in rural areas.

Progress in Digitisation

As per RBI, the digital payments in the country have witnessed a CAGR of 54.0% and 11.3.0% in terms of volume and value, respectively over the period FY15-FY22, demonstrating a steep shift towards digital payments. Within the digital payments, retail electronic payments comprising credit transfers (NEFT, fast payments (IMPS and UPI)) and direct debits (ECS, NACH) have shown a rapid growth in terms of volume and value, respectively over the same period.

Digitalization of payments

India's track record of adoption of digital technology is reflected in IMD's World Digital Competitiveness Ranking, 2021 in which it ranks 18th in a list of countries with population of 20 million or more, well ahead of most emerging market peers. Along with the government sector, other economic entities have also been rapidly adopting digitalisation as an enabling tool in their operations. India has been one of the fastest growing market for digital transactions, with a rich variety of digital payment options. As per ACI Worldwide, Indian financial technology comprises 40.0% of the world's digital transactions. India made 48.6 billion real-time payments through 2021 and was ahead of China.



The Indian real-time payments market is well developed compared to other markets such as the U.S., the U.K., Canada, and Australia. The widespread adoption of real-time payments resulted in an estimated cost savings of USD 12.6 billion for Indian businesses and consumers in 2021. This in turn – which helped to unlock USD 16.4 billion of economic output, which represents 0.56% of the country's GDP.

With consumers increasingly shifting from cash- to mobile-based real-time payments, skipping payment cards, the share of real-time payments of the total payments volume will rise to over more than 70.0% in 2026. That is expected to push savings for businesses and consumers forecast to rise to USD 92.4 billion in 2026, helping to generate an additional USD 45.9 billion of economic output, (equivalent to 1.12% of the country's forecasted GDP).

Real-time payments were available in India since the launch of Immediate Payment Service (IMPS) in November 2010. However, the Unified Payments Interface (UPI) (a real-time payments system launched in April 2016 based on IMPS) is the one that disrupted the payments space in the country, enabling real-time payments using QR codes, mobile numbers, and virtual IDs. The wider adoption of UPI-based mobile payment apps, growing acceptance of QR code payments among merchants and increasing preference for digital payments amid the COVID-19 pandemic helped real-time payments account for a 31.3% share of total payments transaction volume in 2021.

IMD world digital competitiveness ranking

The IMD World Digital Competitiveness Ranking presents the 2021 overall rankings for the 64 economies covered by the WCY. The rankings are calculated on the basis of the 52 ranked criteria: 32 Hard and 20 Survey data.

Digital trend – India

Factors	2017	2018	2019	2020	2021
Knowledge	37	46	38	39	41
Technology	59	53	49	50	44
Future readiness	51	48	46	56	50
Overall	**51**	**48**	**44**	**48**	**46**
Competitiveness and digital rankings					
Digital	51	48	44	48	46
Competitiveness	45	44	43	43	43
Peer Group Rankings (Asia Pacific - 14 countries)	12	11	11	11	11
Population > 20 million (29 countries)	21	18	18	19	18

Ranks given out of 64 countries

As per IMD world digital competitiveness ranking, the overall ranking has improved from 51 rank in 2017 to 46 rank in 2021. In countries where population is more than 20.0 million, the rank has improved from 21st in 2017 to 18th in 2021. Knowledge is the know-how necessary to discover, understand and build new technologies. Technology factor take into consideration overall context that enables the development of digital technologies. Future Readiness is the level of country preparedness to exploit digital transformation.

Knowledge

Sub factors	2017	2018	2019	2020	2021
Talent	43	43	38	41	38
Training and education	57	59	47	51	43
Scientific concentration	6	26	28	29	47

Talent	Rank
Educational assessment PISA - Math	-
International experience	35
Foreign highly-skilled personne	41
Management of cities	45
Digital/Technological skills	21
Net flow of international students	43

Training & education	Rank
Employee training	34
Total public expenditure on education	35
Higher education achievement	53
Pupil-teacher ratio (tertiary education)	57
Graduates in Sciences	6
Women with degrees	-

Scientific concentration	Rank
Total expenditure on R&D (%)	47
Total R&D personnel per capita	53
Female researchers	-
R&D productivity by publication	2
Scientific and technical employment	61
High-tech patent grants	49
Robots in Education and R&D	21

Talent and training & education rank has improved over the last 5 years while rank in scientific concentration has deteriorated over the years.

Technology

Sub factors	2017	2018	2019	2020	2021
Regulatory framework	59	56	55	53	52
Capital	28	3	3	7	4
Technological framework	63	62	62	62	62

Regulatory framework	Rank
Starting a business	57
Enforcing contracts	63
Immigration laws	42
Development & application of tech.	26
Scientific research legislation	24
Intellectual property rights	44

Capital	Rank
IT & media stock market capitalization	12
Funding for technological development	29
Banking and financial services	25
Country credit rating	53
Venture capital	22
Investment in Telecommunications	1

Technological framework	Rank
Communications technology	36
Mobile Broadband subscribers	45
Wireless broadband	63
Internet users	64
Internet bandwidth speed	52
High-tech exports (%)	40

Sub factors like regulatory framework, capital and technological framework has improved but the rank is still low in case of regulatory framework due to complexity during starting a business and enforcing contracts. High investment in telecommunications improved the rank of capital from 28th in 2017 to 4th in 2021. Due to low per capita internet users and wireless broadband, the rank is lowered to 64 and 63 respectively impacting the technological framework rank.

Future Readiness

Sub factors	2017	2018	2019	2020	2021
Adaptive attitudes	59	54	54	55	55
Business agility	29	33	29	52	36
IT Integration	56	56	56	55	51

Adaptive attitudes	Rank
E-Participation	28
Internet retailing	57
Tablet possession	60
Smartphone possession	52
Attitudes toward globalization	22

Business agility	Rank
Opportunities and threats	16
World robots distribution	12
Agility of companies	24
Use of big data and analytics	15
Knowledge transfer	29
Entrepreneurial fear of failure	55

IT integration	Rank
E-Government	59
Public-private partnerships	23
Cyber security	32
Software piracy	48

Though internet penetration in India is increasing, per capita utilisation is low which led to low rank of 55th in adaptive attitudes but it has improved from rank of 59th in 2017. Similarly, lack of e-governance dragged the rank of IT integration to 51st in 2021 though it too improved from 56th rank in 2017. On the other hand, business agility rank has lowered from 29th in 2017 to 36th in 2021.

SWOT ANALYSIS: INDIAN ELECTRONIC PRODUCTS & ACCESSORIES INDUSTRY

SWOT Analysis of Indian Electronic products and Accessories Industry	
Strengths	• Substantial young addressable market with rising disposable incomes will support demand for consumer
	• Rising levels of adoption of cheap mobile data services has underpinned the demand for smart devices
	• Sustained economic growth will translate into rising disposable incomes, which will mean increased spend
	• Digitisation drives from both the public and private sector could see elevated demand for electronics
Weakness	• Covid-19 shocks exacted a heavy toll on the economy over FY20-FY21
	• Higher-margin devices, such as LED TVs and premium smartphones, remains relatively low
	• Electricity and formal retail facilities present challenges to vendors in deepening their sales
Oppurtunities	• The market has many 'low-hanging fruit', as the penetration rates of basic electronics products, including PCs, smartphones and tablets, remain very low
	• Intensifying infrastructure drives in the rural regions of the country will allow vendors to penetrate into smaller, less developed cities in the future
	• Government-led initiatives, such as the National Electronics Policy and 'Make In India' will continue to drive foreign direct investment into domestic manufacturing facilities, which could drive down product prices in the long run
	• Smart city initiatives could see increased adoption of IoT solutions, offering opportunities to device vendors over the medium term
Threats	• Fresh increase in Covid cases and the Russia - Ukraine conflict both pose wider trade and logistics related challenges in 2022
	• Covid-related lockdowns continue to pose downside risks in 2022
	• Anti-Chinese sentiment driver by border skirmishes remain a concern heading in 2022
	• The demand for notebooks and desktops continue to be cannibalised by low-cost smart devices, the adoption of which have accelerated owing to generous mobile data allocations offered by Indian operators

Source: FSIAPL

NOTABLE TRENDS IN INDIAN ELECTRONIC PRODUCTS & ACCESSORIES INDUSTRY

The Indian electronics industry is in the midst of an exciting phase owing to new technology, introduction of innovative products and global competition which keeps the industry on its toes. This means that manufacturers must focus on continuous innovation and improvement of products. Here are some notable trends of the industry:

Technology-conscious consumers

Consumers are abreast with new technology and are now demanding products with built-in artificial intelligence. This has led to the development of intelligent electronics and consumer durable products. For instance, washing machines can now sense the load and decide the appropriate washing cycle. Artificial intelligence will move beyond consumer products and will be available in several medical electronics and industrial electronic products.

Big players expanding into newer segments

Big players are expanding their current offering to get a bigger piece of the pie. Panasonic is looking beyond consumer electronics to business solutions and Xiaomi into the white goods sector. The Hero group's Hero Electronics is said to enter the consumer good industry and launch AI products while LivPure has entered the air-conditioners space by launching on Flipkart.

Shared economy

The industry is not only looking at selling electronic goods and appliances but also renting it out offering add on services like relocation and free maintenance to make it more attractive than owning them. This is targeted to consumers who are in need of appliances for a short-terms or do not want the hassles like servicing, repairs, etc

Contract manufacturing

Many consumer electronics appliance companies have started outsourcing manufacturing to local contract manufacturers like Dixon and Amber. While this was more often done in China rising power costs, high labour costs (almost 3 times of India) and a stronger yuan have made India an attractive proposition. In early 2019, Samsung was in talks with Dixon and Foxconn to make TVs in India.

Consumer demand for smart and connected devices

Smart devices require at least a microcontroller to add intelligence to the device, one or more sensors to allow for data collection, one or more chips for connectivity and data transmission, and a memory component. The connected devices that transmit information across the relevant networks will rely on innovations from semiconductor players—highly integrated microchip designs, for instance, and very low power functions in certain applications.

Large data driving development

Integrated circuits and modules for high frequencies will be in vogue taking into the large data that needs to be transmitted in a very short time in communication, sensors or astronautics. Advances in integrated circuit technology are driving packaging and interconnect designers to accommodate more input/output connections and larger sized dies, which dissipate more power and operate at faster speeds. This will also generate a demand for components and products suitable for high frequency applications.

Emerging System on Chip (SoC) based devices

System on Chip (SoC) based devices with provision for optimal power and connectivity features as well as with sensor integration, will be in demand to make products smarter to support the wide adoption of Internet of Things (IoT). The first generation of such chips are already on the way, although it will probably be a few generations before chips can deliver all the functionality required.

CHALLENGES FACED BY INDIAN ELECTRONIC PRODUCTS & ACCESSORIES INDUSTRY

While the policy initiatives of the government have had a positive impact on the electronic products and accessories manufacturing ecosystem, there are various challenges being faced by the industry across qualitative (non-tariff, infrastructure related) and quantitative (tariff, Free Trade Agreements etc.) aspects. Few of the challenges are as follows:

Cost competitiveness of China and Vietnam

Chinese manufacturing has dominated the past few decades, driven by the offshoring trend from North American markets. Particularly for electronics assembly, this trend has shaped the industry for more than 20 years. Primarily as a result of lower labour wages and decent infrastructure, many electronics systems moved their operations to Asia or partnered with contract manufacturers working in that region. Businesses that offshored benefitted from significantly lower labour costs and a large labour force that could accommodate the ever-increasing manufacturing demands. Also, in comparison to China and Vietnam, India provides for lower income tax exemptions and reductions to electronics manufacturers. No income tax holidays are being provided in India unlike those provided in Vietnam, making the latter the preferred choice for manufacturing. Vietnam also offers very long-term predictability of 10-30 years of Income Tax holiday/concessional rates tailor-made for global value chains.

Lack of Ease of Doing Business

Industrial land development support – In the policy initiatives and schemes of the government, the cost of land is not factored in. While Department for Promotion of Industry and Internal Trade (DPIIT) has instituted measures such as launch of e-madhyam portal to ease the identification and acquisition process, the cumbersome process of land acquisition overall acts as a deterrent for quick setting up of a manufacturing unit. The compliance requirements and scrutiny from the authorities coupled with the time-consuming process impact the business environment and acts as a dampener to attracting the investments in India.

Lack of Plug and play infrastructure

Competing nations such as China and Vietnam readily provide the infrastructure support in the form of buildings and related permits to manufacturers, i.e., the regulatory compliances are undertaken by the government authorities and readymade facilities (including dormitories on the site) are handed over to the manufacturers. Lack of such plug and play model hampers the attractiveness of India and may prejudice manufacturers' decision to set up units in India.

Lack of Free Trade Agreements (FTAs) with developed economies

Compared to its Asian peers, India does not have many FTAs in place and instead, loses out on lower duty benefits on exports to major economies such as United States, European Union, United Kingdom, Middle East region, Australia, Japan etc.

Lack of Component Ecosystem

Electronics components form the fundamental backbone of manufacturing ecosystem. In the absence of a full-fledged component ecosystem in India, these components are required to be imported that results in increased costs and lead time for the manufacturers. Moreover, India lacks in manufacturing of even components that are labour intensive and are feasible to manufacture in India given the availability of cheap and skilled manpower. An active policy support to promote local manufacturing including through domestic players appears to be missing at present.

Punitive duty structures and tax levies

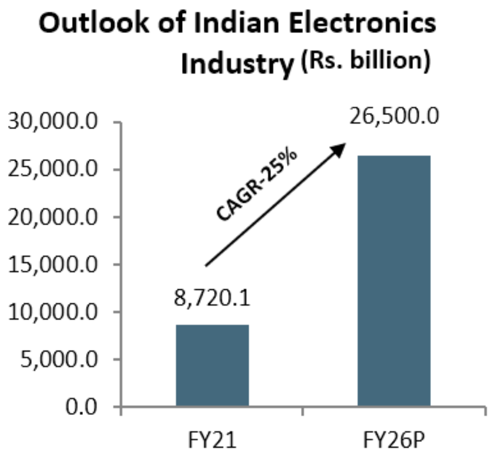
India is a signatory to various FTAs which enables global manufacturers to manufacture at scale in such FTA partner countries and sell the goods in India. However, it is also important to note that placing sole reliance on the policy of import substitution through higher tariffs may not be desirable. Brazil is a case in point where high tax levies had forced manufacturers like Sony and Xiaomi to shut their units in Brazil. The lead time and hassles in customs clearance creates another non-tariff barrier that impacts the turnaround time in the industry and creates inefficiencies in the system.

High import tariff on electronic components

In the absence of an existing component ecosystem in India that ensures manufacture of quality inputs that are to be subsequently used in the manufacture of high-quality finished products, the manufacturers have no alternative but to import the requisite inputs. Increased tariffs may ultimately lead to inflated costs of the products and thereby reducing their competitiveness in the global markets. Additionally, a less competitive product is estimated to eventually defer investments from the electronics sector. When compared to its Asian peers, India imposes the highest tariffs on inputs of electronic products and such tariffs continue to be subject to amendments frequently. These unpredictable tariff measures may significantly impact the positive impact of PLI policies.

OUTLOOK OF INDIAN ELECTRONIC PRODUCTS INDUSTRY

Indian electronics industry is estimated to grow at a CAGR of 25% from Rs. 8,720.1 billion in FY21 to Rs. 26,500 billion in FY25P.



Source: FSIAPL

Domestic production is envisaged to grow at a CAGR of 30% from Rs. 5,544.6 billion in FY21 to Rs. 20,500 billion in FY26P. The product wise growth prospects of each segments in domestic production from FY21 to FY26P is highlighted in the table below:

Domestic production of each segments	Rs. billion FY21	Rs. billion FY26P
Mobile Phones	2,226.8	9,500.0
Consumer Electronics	705.1	1,500.0
Industrial Electronics	779.4	1,900.0
IT Hardware (Laptops, Tablets)	222.7	2,000.0
Electronic Components	668.0	1,400.0
Strategic Electronics	296.9	800.0
Auto Electronics	445.4	1,400.0
Printed circuit board assembly	37.1	900.0
LED Lighting	163.3	1,100.0
Total domestic electronic production in FY21	**5,544.6**	**20,500.0**

Source: FSIAPL

The increasing labour costs in China, the geo-political trade and security environment, and the Covid-19 outbreak are compelling many global electronics majors to look at alternative manufacturing destinations and diversifying their supply chains. India is one of the leading contenders for alternate solutions for global electronics companies. India has the potential to be one of the most attractive manufacturing destinations and support the objective of 'Make in India for the World'. The electronics sector has the potential to become one of the top exports of India in the next 3-5 years. Electronics exports may account for significant contributions to the Indian economy in terms of foreign exchange earnings and employment generation.

COMPETITION ANALYSIS OF KEY PLAYERS

Compuage Infocom Limited:

Compuage Infocom Limited (CIL) is listed on BSE, in 1987, is a distributor of IT products. Today, CIL has established itself as a distributor of major global IT brands. CIL's traded product portfolio comprises of 5 different verticals namely PCs components and peripherals; Mobility products; Physical safety and security products; Enterprise solutions and Cloud computing. CIL has an established distribution network with a central warehouse located in Chennai and 3 redistribution hubs located at Kolkata, Delhi and Chennai. CIL has niche presence across India with 46 sales offices, 27 warehouses, and a team of 800 professionals catering to more than 12,000+ resellers spread across over 600 cities/ towns in India. The company collaborates with renowned brands like Alcatel-Lucent, Acronis, CISCO, Microsoft, Extreme Networks, Asus, Sandisk, SAP, ASRock, Vertiv, Xerox, Fujifilm, HP, ADMC, AMP, Dahua, Digifort, Molex, Numeric, Relicell, Systimax, Tyco, Zoho etc.

The Company has its global footprints over 7 countries across SAARC nations with the set-up in Singapore to manage them. It manages the complete supply chain from procurement, warehousing, breaking bulk, technical support, material movement and credit deployment. The Company's business is bifurcated into 4 product segments, viz., IT Consumer, IT Enterprise Solutions, Cloud Computing and Hardware Services.

The strength of the company is experienced promoters with long track record in IT distribution business and continuous financial support provided by the promoters in the form of unsecured loans. The company has established market position, large scale of operations backed by its presence across various business segments with diversified product mix, strong distribution network, and its association with vendors having well established IT hardware/ software brands, and prudent risk mitigation practices followed by the company with respect to the inventory and receivables management.

Creative Newtech Limited (CNL - Previously known as Creative Peripherals and Distribution Limited):

Founded in 1992, Creative Peripherals was originally incorporated on September 22, 2004 as a Private Limited Company and it has recently changed its name from Creative Peripherals and Distribution Limited to Creative Newtech Limited. CNL is engaged in the business of distribution of IT products, Imaging, Lifestyle and Telecom products. The registered office of CNL is situated at Borivali, Mumbai. Currently, CNL is operating nationwide through its 20+ branches, warehouses and service centres. CNL commenced its operations with distribution of IT products.

They started with distribution of Microsoft hardware, Epson Printers, AOC TFT Monitor and continued adding newer products/brands to their portfolio. Engaged in distribution business, CNL has partnered with a number of renowned brands for distribution in the country such as Rapoo Technologies Limited, Lino Manfrotto + Co S.p.a, Transcend Information Inc, ViewSonic International Corporation, Olympus Corporation, Belkin Inc, Zioncom (Hong Kong) Technology Limited, Apple India Private Limited, Sennheiser Electronics India Private Limited, Gopro Cooperatief U.A, TPV Technology India Private Limited, Printronix, SIEPL India Electronics Private Limited, Vintron Infronatics Limited and Samsung India Electronics Private Limited specialising in IT, Lifestyle, Imaging and telecom products.

CNL also undertakes contract manufacturing for several Honeywell products and have recently started distribution in the Middle East. CNL's is a broad-based distribution model which is based on multiple products and multiple brand strategy. CNL also operates in the indirect sales model and they play the role of supply chain consolidator between several IT manufacturers and many IT channel partners. They operate with a dealer network of around 6,000 dealers. Thus, they provide distribution services of both volume business and value business products.

Rashi Peripherals Limited

Rashi Peripherals Limited was incorporated in 1989. It is one of the 5 largest IT Distributors in India engaged in the business of Information Technology Product Distribution and aftersales services of information technology products. The company collaborates with over 30 renowned brands like AMD, AOC, APC, ASUS, ATEN, Belkin, Cambium Networks, Cornelis Networks Google Chromecast, Colorful, Crucial by Micron, DDN, DELL, EATON, ECS, Fitbit, HP, Infortrend, Intel, JBL, Lenovo, LG, Logitech, Mercusys, NVIDIA, Optoma, Samsung, SanDisk, Supermicro, Toshiba, TP-Link, Ubiquity and Western Digital. It serves over 9,000 dealers and retailers in over 750 locations across the country through a network of 50 branches and 50 service centres.

Savex Technologies Private Limited

Savex Technologies Private Limited, incorporated in 1988, is one of the largest Information and Communication Technology product distributors in India. The company is headquartered in Mumbai and has 107 sales offices and 42 warehousing and stocking locations catering to over 750 cities in India. The Savex group has been associated for more than a decade with its principals, which include leading players such as Samsung in the telecom mobility segment, and HP and Lenovo in information technology products such as notebooks, desktops and printers. Citrix, D-link, Logitech, Ubiquiti, Microsoft, Avaya, Aruba are some of the principals in networking segment. Savex group benefits from Inflow's principals which are in cyber security, unified communications and collaboration, networking, automatic identification, data capture, infrastructure and application software, storage management, electronic security products and related services.

Financial comparison of Balaji Solutions Limited and the above 4 mentioned competitors is provided in the table below:

Company	Balaji Solutions Limited			Compuage Infocom Limited			Creative Newtech Limited		
Year	FY19	FY20	FY21	FY19	FY20	FY21	FY19	FY20	FY21
Key financial parameters (in Rs. million)									
Net Revenue	6,030.8	4,521.6	4,834.8	45,148.3	42,325.1	37,297.9	3,707.2	4,590.6	5,263.2
EBITDA	106.7	92.1	204.4	935.6	1,049.9	944.3	133.2	168.2	187.3
PAT	24.8	36.3	162.2	226.9	305.1	206.8	58.5	77.7	93.8
Net Block of Fixed Assets	189.5	240.2	265.9	539.2	501.0	471.2	89.3	88.9	98.5
Total Assets	1,695.6	1,418.8	1,622.8	12,412.1	11,415.1	11,328.4	1,185.2	1,548.7	1,917.7
Shareholder's Networth	442.6	1,478.9	641.1	1,768.0	2,020.8	2,222.8	333.1	412.4	616.8
Total Debt	554.6	497.7	375.3	4,963.7	4,838.2	6,098.7	358.9	318.8	429.3
Key ratios									
EBITDA Margin(%)	1.8%	2.0%	4.2%	2.1%	2.5%	2.5%	3.6%	3.7%	3.6%
PAT Margin (%)	0.4%	0.8%	3.4%	0.5%	0.7%	0.6%	1.6%	1.7%	1.8%
ROCE (%)	10.2%	6.6%	16.9%	14.5%	14.8%	12.0%	18.5%	20.9%	19.1%
Interest Cover(x)	1.3	1.8	6.7	1.7	1.7	1.4	2.8	3.3	3.8
Debt/Equity (x)	1.3	0.3	0.6	2.8	2.4	2.7	1.1	0.8	0.7

Company	Rashi Peripherals Limited			Savex Technologies Private Limited		
Year	FY19	FY20	FY21	FY19	FY20	FY21
Key financial parameters (in Rs. million)						
Net Revenue	39,905.1	39,357.3	59,263.7	1,16,950.3	1,53,462.9	2,11,283.0
EBITDA	644.1	958.0	2,160.0	3,321.4	3,862.3	5,060.0
PAT	285.2	401.1	1,373.6	1,629.7	2,085.5	3,124.6
Net Block of Fixed Assets	565.3	568.6	592.0	396.6	1,289.6	1,380.2
Total Assets	9,665.9	10,387.6	15,268.4	24,842.9	27,084.2	35,111.2
Shareholder's Networth	1,956.1	2,364.9	3,664.4	9,714.0	11,859.5	14,958.9
Total Debt	3,697.3	3,253.4	4,889.9	8,824.1	11,786.2	12,219.8
Key ratios						
EBITDA Margin(%)	1.6%	2.4%	3.6%	2.8%	2.5%	2.4%
PAT Margin (%)	0.7%	1.0%	2.3%	1.4%	1.4%	1.5%
ROCE (%)	10.9%	16.3%	28.8%	17.6%	17.3%	18.9%
Interest Cover(x)	3.4	2.4	7.0	4.2	4.0	7.3
Debt/Equity (x)	1.9	1.4	1.3	0.9	1.0	0.8

Source: Company Annual Reports, Ace Equity Database
Notes:
1) Financials numbers of Compuage Infocom Limited, Creative Newtech Limited, Rashi Peripherals Limited and Savex Technologies Private Limited are consolidated in nature.
2) Capital Employed in ROCE formula is considered as an average of last 2 years

Total Addressable Market of Balaji Solutions Limited

Balaji Solutions Limited is an IT hardware & peripherals and mobile accessories company engaged in the business of –

i. Manufacturing and branding of products under their own flagship brand 'Foxin';

ii. Original equipment manufacturers (OEMs) ranging from sourcing of components, designing, manufacturing, quality testing as per the specifications provided by certain brand owners; and

iii. Distribution of various IT hardware & peripherals, mobile accessories, consumables and surveillance products of certain brand owners.

Total addressable market of Balaji Solutions Limited stands at Rs. 1,205.4 billion in FY21, which is projected to increase at a CAGR of ~22.5% to Rs. 2,711.6 billion in FY25P. The product category wise break-up of each addressable market is given in the table below:

Total Addressable Market of Balaji Solutions Limited

Product Category	Market Size in Rs. billion (FY21)	Market Size in Rs. billion (FY25P)	CAGR % (FY21-FY25P)
Computer Hardware and Computer Peripherals	565.4	1,316.6	23.5%
Mobile accessories - Chargers, USB cables and power banks	240.0	370.0	11.4%
Hearables - headphones, earphones, wireless earbuds and wireless neckbands	180.0	600.0	35.1%
Wearables - smart watches and activity bands	35.0	150.0	43.9%
Home audio segment	185.0	275.0	10.4%
Total Addressable Market of Balaji Solutions Limited	**1,205.4**	**2,711.6**	22.5%

Source: FSIAPL

Balaji Solutions Ltd. have products like cabinets, keyboard, mouse, monitor, motherboards, SSD, UPS web camera, laptop adapter, laptop screen under their Foxin computer peripheral portfolio. Balaji Solutions is also the laptop distributor for one of the global leaders in India. This implies that Balaji Solutions caters to the whole computer hardware and peripheral market which saw the consumption of Rs. 565.4 billion in FY21. Total addressable market for computer hardware and peripherals is going to increase with the CAGR of more than 20.0% over the next 4 years to around Rs. 1,316.6 billion in FY25P.

In case of mobile accessories like chargers, USB cables and power banks; the market is expected to grow at a CAGR of 11.4% from Rs. 240.0 billion in FY21 to Rs. 370.0 billion in FY25P. The growth will be majorly driven by the increasing number of mobile device users and substantial growth in adoption of smartphones and tablets in India. Factors such as rising young population, increasing disposable income, rapid advancement in technology, increasing online promotions, attractive discounts and offers will push the growth of hearable and wearable devices in India.

OUR BUSINESS

Some of the information in the following section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forwarding –Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations" on pages 29 and 254, respectively, for a discussion of certain factors that may affect our business, financial condition or result of operations.

*You should read the following discussion in conjunction with our Restated Financial Statements as of and for the years ended March 31, 2022, 2021 and 2020. Our Restated Financial Statements for the Fiscals 2022, 2021 and 2020, have been prepared under Indian Accounting Standards ("**Ind AS**"), the Companies Act and the SEBI ICDR Regulations. For further details, please see "Financial Information" on page 227.*

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report "Indian Electronics Industry" dated August 1, 2022 prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) ("**Fitch Solutions Report**") (which has been commissioned and paid for by us exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer). Unless otherwise indicated, all financial, operational, industry and other related information derived from the Fitch Solutions Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Financial Information", and "Management Information and Analysis of Financial Condition and Results of Operations" beginning on pages 29, 109, 227 and 254, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

OVERVIEW

We are an IT hardware & peripherals and mobile accessories company engaged in the business of (i) manufacturing and branding of products under our flagship brand i.e. "*Foxin*" ("**Foxin Products**"); (ii) original equipment manufacturers ("**OEMs**") ranging from sourcing of components, designing, manufacturing, quality testing as per the specifications provided by certain brand owners; and (iii) distribution of various IT hardware & peripherals, mobile accessories, consumables and surveillance products of certain brand owners. Over the years we have been able to build our presence in India through a wide range of quality consumer products at an affordable prices and through our dealer channels in the electronic industry.

We currently classify our business under the following 3 (three) verticals:

Manufacturing: We carry out the business of manufacturing of products under our flagship brand "*Foxin*" such as. These includes the following:

- mobile accessories (USB data cables, power bank, mobile chargers),
- hearables and audio products (earphones, true wireless stereo ("**TWS**"), headphone and neckband) etc.,

Additionally, under this vertical, we have recently commenced the manufacturing of hearables and USB data cables as an OEM basis for certain brand owners. We manufacture and supply these products based on designs developed by our customers, who then further distribute these products under their own brand name.

Branding: We carry out the business of marketing and selling of our products which are manufactured and sourced from third parties across India under our flagship brand "*Foxin*". These include the following:

- hearables and audio products (multi-media bluetooth speakers, TWS, tower speakers, portable speakers, headphones and gaming headphones).
- IT hardware & peripherals (monitor, CPU cabinets, keyboards (wired and wireless), gaming keyboards (wired and wireless) and mouse (wired and wireless), mother board, solid state drive ("**SSD**"), uninterrupted power supply ("**UPS**"), switched mode power supply ("**SMPS**")).
- wearable products (smartwatch).
- imaging products (compatible toner cartridges for laser printers).

Distribution: We carry out the business of distribution of IT hardware & peripherals, mobile accessories, consumables, surveillance products etc., for certain brand owners.

With an aim to offer a comprehensive range of products, we have expanded our product portfolio across our various business verticals, which have resulted in enhanced growth and profitability. In order to provide a wide range of products, we continuously monitor the industry trends to ensure that our products continue to remain relevant and help meet the rapidly changing consumer preferences in India. We offer a wide range of quality products at affordable price under our brand i.e. "*Foxin*" targeting a wide customer base. For further details, see "*Business – Our Product Portfolio*" on page 172.

We currently, operate through one (1) manufacturing facility located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India which is spread across an area of 9,495.74 square meters ("**Manufacturing Facility**"). Our Manufacturing Facility is strategically located on Kolkata-Mumbai highway providing us with strategic and operational advantages. This facilitates timely deliveries and improved efficiencies. Our Manufacturing Facility has an aggregate of 4 production lines, consisting of 5 assembly lines and 6 packaging lines, with a total installed capacity of 216.00 lakh units in Financial Year 2022, and a total actual production of 32.58 lakh units in Financial Year 2022 (*Certified by Jayanta Dutta, Chartered Engineer vide its certificate dated August 5, 2022 and having membership number M-062008-9)*. Our Manufacturing Facility is designed as per international standards and is well equipped with modern machineries capable of providing quality products and has received quality control certifications such as ISO 9001:2015 certifying our quality management system and ISO 14001:2015 certifying our environment management system for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals.

Over the years, we have established an extensive, distribution network for our branded products business as well as distribution business in India. We market, sell and distribute our products across India through dealers, retailers, third party e-commerce platforms and through our own website www.foxin.in. As of June 30, 2022, we have sold our products in 28 states and 5 union territories through a network of 3,726 dealers of which 1,873 dealers specifically deal in our Foxin Products. As of June 30, 2022, we had 27 branch offices (some of which are also used as warehouses and service centres) in India which are supported by a sales team of 248 employees, who are responsible for managing our sales and dealer channels. We believe this dealer network ensures that our products are easily available in the Indian market. We continue to engage in various marketing initiatives to build brand awareness and grow our market share in India. In addition to leveraging and engaging our dealers network, we also undertake direct promotional initiatives like advertising our Foxin Products through digital marketing.

To achieve better synergy and transparency of the processes, we have integrated our processes with our ERP System Microsoft Dynamics NAV 2016 ("**ERP System**"). The ERP System is hosted at servers installed in our Registered and Corporate Office with Unified Threat Management System (UTM) comprising of Physical Hardware Firewall and Antivirus Software. Our ERP System has different modules including financial accounting, raw material management, sale and distribution, production planning knowledge management, personnel management and sales which is customised for our operating needs. The ERP System is integrated with API(s) to generate the IRN QR code for the invoices and also e-way bills helping us achieve transparency of transactions. The ERP System is securely accessible through VPN tunnelling to our sales and marketing team across India, thus providing real time accurate data and enhanced control in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to dealers, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network.

We are led by our Promoter, Rajendra Seksaria, who has extensive experience in the Indian electronics industry and has been intimately involved in the business for over two decades. Under his leadership, our Company has grown from a distribution house to having our own brand and also a manufacturing entity over the years. He has overseen the development of our business and is actively involved in the critical aspects of our business i.e., business strategic planning, product marketing, team management, channel expertise and competitive analysis. Our Promoters' relationships with our suppliers, customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter continues to remain actively involved in our operations and continues to bring his vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified and experienced Key Managerial Personnel who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see "*Our Management*" on page 200.

Our Journey

We commenced operations in 2001, under the leadership of our Promoter, Rajendra Sakseria. We started our business with sub-distribution and established a channel network over the years. In order to cater to the growing and varied demand of IT hardware & peripherals and mobile accessories, our Company launched its own brand with the name "Foxin" which is dedicated to manufacture products and meet the demand of the consumers. Foxin was originally being operated through *viz* "Foxin Technologies Private Limited" which was incorporated in the year 2006 and subsequently merged with our Company in the year 2016 *vide* an order dated September 5, 2016 passed by the High Court of Calcutta. For further details on the Scheme of Amalgamation, see "*History and Certain Corporate Matters-Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*". Since the launch of our Foxin brand, as of June 30, 2022, we have established 27 branches (some of which are also used as warehouses and service centres) in India. In 2019, we established our Manufacturing Facility and commenced manufacturing of mobile accessories, hearables and audio products. Considering the demand for these products and for scaling the utilization of our Manufacturing Facility, we also recently commenced OEM for certain brand owners.

OUR FINANCIAL PERFORMANCE

Some of our key financial parameters are set forth below:

(₹ in lakhs, except percentage)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	48,224.72	48,348.16	45,215.92
EBITDA(1)	2,369.28	2,389.76	1,081.39
EBITDA margin (%)(2)	4.91	4.94	2.39
Profit After Tax	1,538.66	1,624.96	333.01
Profit After Tax Margin (%)(3)	3.19	3.36	0.74
Return on Equity (%)(4)	25.66	102.95	21.10
Return on capital employed (%)(5)	40.10	142.84	62.95
Fixed asset turnover ratio(6)	15.65	17.94	18.32
Net working capital(7)	4,546.79	3,502.20	1,780.76
Debt to equity ratio(8)	0.48	0.65	1.14
Interest coverage ratio(9)	7.00	6.38	1.58

Notes:
1. *EBITDA is calculated as profit before tax plus depreciation and finance cost, less other income;*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations;*
3. *Profit after Tax Margin is calculated as Profit after Tax divided by revenue from operations;*
4. *Return on Equity is calculated as Profit After Tax divided by Total Equity;*
5. *Return on capital employed is calculated as EBITDA divided by Net Worth+ Total Debt;*
6. *Asset turnover ratio is calculated as Revenue from Operations divided by Total Fixed Assets;*

7. *Net working capital is calculated as current assets less current liabilities;*
8. *Debt to equity ratio is calculated as Total Debt divided by total Equity;*
9. *Interest coverage ratio is calculated as EBIT divided by Interest Expenses.*

OUR MARKET OPPORTUNITY

We have a total addressable market share of ₹1,205.4 billion in financial year 2021 which is expected to grow at a CAGR of 22.5% *(Source: Fitch Solutions Report).* The product category wise break-up of each addressable market is given in the table below:

Product Category	**Market size in ₹ billion (FY 21)**	**Market size in ₹ billion (FY25P)**	**CAGR% (FY 21-FY25P)**
Computer Hardware and Computer Peripherals	565.4	1,316.6	23.5%
Mobile accessories – chargers, USB cables and power banks	240.0	370.0	11.4%
Hearables – headphones, earphones, wireless earbuds and wireless neckbands	180.0	600.0	35.1%
Wearables – smart watches and activity bands	35.0	150.0	43.9%
Home audio segment	185.0	275.0	10.4%
Total addressable market of Balaji Solutions Limited	1,205.4	2,711.6	22.5%

S*ource: Fitch Solutions Report*

India is highly dependent on import for consumption of consumer electronics products in the country. More than 90.0% of the total hardware and peripherals products are imported *(Source: Fitch Solutions Report)*. We are engaged in the manufacturing, branding and distribution of top 10 products imported in India as identified in Fitch Solutions Report. The consumption of computer hardware and peripherals increased with the CAGR of 27.3% from ₹ 319.1 billion in FY18 to ₹ 836.7 billion in FY22. Though production was very low at ₹ 17.2 billion in FY18 but it has increased with the CAGR of 31.5% to ₹ 51.5 billion in FY22 *(Source: Fitch Solutions Report)*. The Indian mobile accessories market grew at a CAGR of 2.2% from ₹ 225 billion in FY18 to ₹ 240 billion in FY21. Various brands are entering the market and the mobile accessories market is expected to grow at a CAGR of 15.5% from ₹ 240 billion in FY21 to ₹ 370 billion in FY25P. The retail market accounts for Rs. 61.9 trillion; which is 50.0%-55.0% of the PFCE in the country. Electronics Industry accounts for (~10.0% - 12.0%) out of this retail market. Out of the total consumption of electronics, computer hardware, peripherals account for approximately 10.0% of the electronics market *(Source: Fitch Solutions Report).* The rapid proliferation of smartphones and mobile-enabled devices is a major factor in augmenting the demand for mobile accessories in India *(Source: Fitch Solutions Report).* The Indian home audio market has grown moderately at a CAGR of 7% from ₹ 150 billion in FY18 to ₹ 185 billion in FY21. The home audio market is expected to grow in double digits at a CAGR of 10% from ₹ 185 billion in FY21 to approximately ₹ 275 billion in FY25P *(Source: Fitch Solutions Report).*

Based on the United Nations Development Program's 2020 estimates, India's median age is 28.4, which is significantly younger than that of China (38.7) and the US (38.3). The working population of India makes up 55% of the total population of India. Moreover, India has the largest Millennial and Gen Z population of approximately 708 million, which constitutes approximately 51% of India's total population. Increasing penetration of consumer electronics in semi-urban and rural markets, a shift in lifestyle among the Gen Z population, and the adoption of smart devices are some of the key drivers that are assisting the rapid expansion of this industry *(Source: Fitch Solutions Report)*. Large base of young population, who are technology driven and brand conscious is a major growth driver for wearables market in India *(Source: Fitch Solutions Report)*. We believe we are well-positioned to capitalize on this growing market opportunity and address the increasing demand for IT hardware & peripherals and mobile accessories.

For further information, see "*Industry Overview*" on page 109.

OUR KEY STRENGTHS

We believe that following are our primary strengths:

Established presence with over two decades of operations in the electronic industry.

We have established a market presence during our two decades of operations and we believe that our extensive history and quality products have led to wide recognition of our products, which has enabled us to effectively target the rapidly changing consumer preferences in India and increase the scale of our operations. As of June 30, 2022, we have sold our products across 28 states and 5 union territories in India. Our top 5 revenue generating states i.e. West Bengal, Tamil Nadu, Maharashtra, Karnataka and Kerala, contributed ₹28,620.05 lakhs, ₹28,142.78 lakhs and ₹24,290.68 lakhs in Fiscals 2022, 2021 and 2020, respectively which accounted for 59.35%, 58.21% and 53.72%, respectively, of our revenue from operations. Our Company manages the channel and retail business through these dealers, who in turn manage the distribution of products. Our brand presence and extensive sales and distribution network in the country has enabled us to cater to diverse customer requirements and grow our business effectively. Our competitive advantage is further augmented by the high entry barriers into the industry in which we operate. Such entry barriers include the development of supplier eco-system, developing a robust channel network and building customer confidence, which can only be achieved over a period of time.

Diversified business vertical with wide range of product portfolio and consistent focus on quality

We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. This philosophy has formed the foundation of the expansion and diversification of our product portfolio since the inception of our Company. In order to offer new and varied products to our customers, we focus on creating products with an emphasis on quality and efficiency. Our focus on quality is maintained at all stages, from the sourcing of raw materials to manufacturing of final product, which is subject to rigorous review and monitoring process. For products which are sourced by us from third parties, we have a dedicated sourcing team which closely monitors the quality of such products by conducting frequent visits at the facility of the third party suppliers. Our efforts to maintain the quality of our products have been well recognised in the industry. Our Manufacturing Facility has also received quality control certifications such as ISO 9001:2015 certifying our quality management system and ISO 14001:2015 certifying our environment management system for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals.

Further, we have developed a niche portfolio of IT hardware & peripherals and mobile accessories. Since incorporation, we have diversified our product portfolio and have grown into a company engaged in manufacturing, branding and distribution of IT hardware & peripherals (monitor, CPU cabinets, keyboards (wired and wireless), gaming keyboards (wired and wireless) and mouse (wired and wireless), mother board, SSD, UPS, SMPS, mobile accessories (USB data cables, power bank, mobile chargers), hearable and audio products (multi-media bluetooth speakers, tower speakers, portable speaker, headphones, TWS and gaming headphones), wearable products (smartwatch) and imaging products (compatible toner cartridges for printer) etc. This diversification across products and categories has allowed us to de-risk our business operations. For further details with respect to our product portfolio, see "*-Our Product Portfolio*" under this section.

The table below sets forth our revenue from operations pursuant to sale of products manufactured and sale of goods traded under our various business verticals for the periods indicated:

(₹ in lakhs)

Financial Year	**Sale of products manufactured**		**Total sale of products manufactured**	**Sale of goods traded**		**Total sale of goods traded**
	For Foxin Products	**For OEM Products**		**Products Distributed of brand owners**	**Foxin Products**	
2021-2022	2,649.05	157.18	2,806.22	31,135.07	14,530.00	45,665.07
2020-2021	3,261.62	90.36	3,351.98	31,668.54	13,866.38	45,534.93
2019-2020	1,002.27	1.15	1,003.42	35,308.41	9,066.82	44,375.24

Established distribution network and long term relationship with our customers

We have established an extensive distribution network with a wide geographical reach in India through four channels of distribution: (i) dealers network, (ii) retail, (iii) online/e-commerce platforms, and (iv) through our own website www.foxin.in. As of June 30, 2022, we sold our products across 28 states and 5 union territories states in India. As of June 30, 2022, our Foxin Products are sold through a dealer network of 1,873 dealers in

India. We are also a national distributor for certain brand owners wherein, we carry out distribution of IT hardware & peripherals, mobile accessories, consumables, surveillance products etc., across India. As of June 30, 2022, under our distribution business, we sell products of brand owners through 1,853 dealers in India. Further, as of June 30, 2022, we had 27 branch offices (some of which are also used as warehouses and service centres) in India which are supported by a sales team of 248 employees, who are responsible for managing our sales and dealer channels. As of June 30, 2022, we also had 77 authorised service providers that manage and provide after sales services to our end customers. We believe this distribution network ensures that our products are easily available to our customers in India. Strong and recognizable brands are a key attribute in the electronics industry as they, increase customer confidence and influence purchase decisions. Since incorporation, we have built our brand by leveraging the strength of our marketing and distribution network.

The geographical spread of our dealers as of June 30, 2022, is set forth below:

Note: The above map is not to scale and not intended to mean political map of India.

The geographical spread of our branch offices (some of which are also used as warehouses and service centres) as of June 30, 2022, is set forth below:

Note: The above map is not to scale and not intended to mean political map of the India.

Since the launch of our flagship brand “Foxin” in 2006, we have consistently invested significant resources in enhancing the strength and appeal of our Foxin Products by focusing on building its awareness, enhancing the appeal of our Foxin Products, offering Foxin Products at affordable price points with a clear value proposition, maintaining a high quality of our Foxin Products and building consumer engagement pre and post sales. Further, we are able to generate the demand for our flagship brand i.e. “*Foxin*” through our marketing activities which consist of a broad range of advertising, such as retail branding, web marketing, magazine advertising and outdoor advertising. Additionally, to leverage and engage our distribution network for marketing initiatives, we undertake direct promotional initiatives like advertising our products through digital marketing. These activities and initiatives provide us with a platform to market and sell our products.

Integrated Manufacturing Facility to deliver quality products

Our manufacturing and assembly operations are conducted in our Manufacturing Facility, which is spread across an area of 9,495.74 square meters. Our Manufacturing Facility is integrated with manufacturing, assembling, warehousing, logistics and accommodation facilities. Our Manufacturing Facility has an aggregate of 4 production lines, consisting of 5 assembly lines and 6 packaging lines, with a total installed capacity of 216 lakh units in Financial Year 2022, and total actual production of 32.58 lakh units of all products in Financial Year 2022 (*Certified by Jayanta Dutta, Chartered Engineer vide its certificate dated August 5, 2022 and having membership number M-062008-9)*. We operate one shift a day, six days a week, with sufficient buffer capacity to ramp up production and address spikes in order volumes. Further, we have additional space in our Manufacturing Facility to deploy new production lines, and have the ability to enhance our incremental manufacturing capacity.

Product quality is at the forefront of our manufacturing philosophy, and we attribute our ability to deliver quality products through end-to-end control of our manufacturing and assembly process, engineering skills, and quality assurance systems. Our quality control team conducts pre- and post-manufacturing quality checks and balances. This prevents or, where necessary, uncovers defects which can be remedied in time and minimises the risk of product returns. Our Manufacturing Facility is ISO 9001:2015 and 14001:2015 certified in accordance with international quality standards for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals. For further details, see "*– Quality Standard and Assurance*" below on page 183. We maintain the flexibility of our Manufacturing Facility through multiple function training and standardization of equipment, which allows us to quickly redeploy our production lines to meet variations in customer demand. The scale of production and flexibility of our Manufacturing Facility enables us to offer high quality, timely and cost-effective solutions to our customers while limiting individual order volatility and maintaining our competitiveness and margins.

Experienced Promoter and strong senior management team with extensive knowledge of the sector

We have an experienced senior management team under the overall stewardship of our Managing Director and Promoter, Rajendra Seksaria, who is a first-generation entrepreneur, and has more than two decades of experience in the electronic industry. The experience of our Promoter in the electronics sector is supplemented by our senior management team. We believe that our senior management team's in-depth understanding of target markets and client demand and preferences have enabled us to grow our business and expand our operations. Their understanding of industry trends, demands and market changes, have enabled us to adapt and diversify our offerings and leverage market opportunities. For further information on our management team, see "*Our Management*" on page 200.

KEY STRATEGIES

Our key business strategies include:

Building our relationship with industry leading OEM's and ODM's and diversifying our customer base by expanding our business in mobile accessories and surveillance products.

Our collaborative relationships with industry-leading OEM and ODM customers are crucial to our success. We intend to further deepen our relationships with our existing customers by providing them with an innovative solution into their design processes and product development. We believe that our experience in the electronic industry positions us well to selectively pursue other OEMs and ODMs and provide them with an alternative to their existing service providers. We also have the capabilities to provide OEM customers with some component sourcing services, provide product design and development services and manufacture the final product.

Strengthening our business through effective branding, promotional and digital marketing activities

We intend to promote our brand "Foxin" through different marketing channels to increase our brand visibility and recall. Product launches require significant investment, planning and product promotion through advertisements in local newspapers, magazines, television, social media, print media and other publications and engaging in brand association. As our business requires us to reach out to our target customers as well as dealers, the effort and the exercise around product development is challenging and requires significant time and effort to ensure reach to our target customers and dealers. We also intend to strengthen our existing brand building activities such as retail branding, web marketing, magazine advertising and outdoor advertising for marketing our products. We also engage in digital marketing efforts in order to target customers. We believe that growth in our products segment will lead to growth of our revenues and profitability. For Fiscals 2022, 2021 and 2020, our advertising expenses were ₹255.72 lakhs, ₹272.19 lakhs and ₹16.49 lakhs, respectively.

Increasing penetration of consumer electronics in semi-urban and rural markets, a shift in lifestyle among the Gen Z population, and the adoption of smart devices are some of the key drivers that are assisting the rapid expansion of this industry *(Source: Fitch Solutions Report)*. Retail industry in India is ~50.0%-55.0% of the PFCE in the country. Out of total retail market, approximately half of it constitute urban while the other half belongs to the rural market *(Source: Fitch Solutions Report)*. With a vision to capitalise on this opportunity, we aim to introduce affordable mobile accessories by introducing new brands.

Targeting new customers by increasing our presence in domestic markets and building our presence in international markets

The Indian Electronics Industry has grown at a CAGR of 13% from ₹ 4,723.0 billion in FY16 to ₹ 8,720.1 billion in FY21. Domestic electronics production has grown at a CAGR of 17.9% from ₹ 2,432.6 billion in FY16 to ₹ 5,544.6 billion in FY21 *(Source: Fitch Solutions Report)*. Exports of electronic products from India increased at a CAGR of 15.9% from ₹ 390.6 billion in FY16 to ₹ 818.2 billion in FY21. Mobile phones, IT hardware (laptops, tablets), consumer electronics (TV and audio), industrial electronics and auto electronics are key exports in this sector *(Source: Fitch Solutions Report)*. Our Company has a total addressable market share of ₹ 1,205.4 billion in FY 2021, which is expected to grow at a CAGR of 22.5% *(Source: Fitch Solutions Report)*. In order to capitalise this market opportunity, we intend to grow domestically and internationally by way of increasing and developing our channel partnerships. We believe that understanding the needs of our customers is of prime importance for the continuous growth of our business. With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the markets where we sell our products as well as expand into new markets. Additionally, we seek to continue to leverage our relationships with our existing customers.

Further, we also intend to increase the size of our addressable market by increasing the number of authorised dealers and distributors in India. We also plan to penetrate into new regions through these additional dealers and distributions. Expansion into new geographical areas will increase our customer base and ultimately enhance brand awareness. This will lead to increase in demand of our products ensuring optimum utilisation of our manufacturing, branding and distribution capacities.

OUR BUSINESS OPERATIONS

Our product portfolio

Foxin Products

We sell and market the following products under our brand "Foxin":

Sr. No.	Name of the Products	Images
IT Hardware & Peripherals		
1.	Monitor	

Sr. No.	Name of the Products	Images
2.	CPU Cabinet	
3.	Keyboard (wired and wireless)	
4.	Gaming keyboard (wired and wireless)	
5.	Mouse (wired and wireless)	
6.	Mother board	

Sr. No.	Name of the Products	Images
7.	Solid state drive	
8.	Uninterrupted power supply	
9.	Switched mode power supply	
Mobile Accessories		
10.	USB data cable	
11.	Power bank	

Sr. No.	Name of the Products	Images
12.	Mobile charger	
Hearable and audio products		
13.	Earphones	
14.	Neckband	
15.	Headphones	
16.	TWS	

Sr. No.	Name of the Products	Images
17.	Gaming headphones	
18.	Multi-media bluetooth speakers	
19.	Tower speakers	
20.	Portable speakers	
Wearable product		
21.	Smart watch	
Imaging product		

Sr. No.	Name of the Products	Images
22.	Compatible toner cartridge for printers	

Our Manufacturing Facility

We have set up an integrated manufacturing facility at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India, which provides us with the flexibility to produce new products in a short time-span and scale-up production to meet the demands of our customers. Our Manufacturing Facility is a fully integrated facility with processes starting from procurement of raw materials, stringent quality checks, assembling, pre-delivery inspection and final dispatch. Our integrated manufacturing process provides us with competitive advantages in terms of maintaining quality and effectiveness of the products we manufacture. Our Manufacturing Facility is certified with ISO 9001:2015 certifying our quality management system and ISO 14001:2015 certifying our environment management system for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals.

Set forth below are the images of our Manufacturing Facility:

Production capacity and utilisation

Production Stream	Manufacturing Facility	As of, and for the period ended, March 31, 2022			As of, and for the period ended, March 31, 2021			As of, and for the period ended, March 31, 2020		
		Installed Capacity	Actual Production	Utilization *	Installed Capacity	Actual Production	Utilization *	Installed Capacity	Actual Production	Utilization *
		Units	Units	%	Units	Units	%	Units	Units	%
USB Data Cable	BSL	84,00,000	21,00,047	25.00	37,00,000	18,89,796	51.08	16,25,000	8,02,852	49.41
Earphone and Neckband	BSL	54,00,000	5,61,341	10.40	48,00,000	13,08,449	31.15	10,50,000	3,73,953	35.61
Power Bank	BSL	18,00,000	59,601	3.31	18,00,000	86,379	4.80	3,00,000	4,560	1.52
Mobile Chargers	BSL	60,00,000	5,37,090	8.95	60,00,000	7,20,222	12.00	60,00,000	2,61,503	4.36
Total	**BSL**	**2,16,00,000**	**32,58,079**	**15.00**	**1,63,00,000**	**40,04,846**	**24.57**	**89,75,000**	**14,42,868**	**16.08**

Note: Unit "BSL" stated above, denotes the Manufacturing Facility situated at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711 115, India of our Company.

**While deriving the effective installed capacity for particular years the following factors were considered:*

- *In USB Data Cable Production, the Vertical Injection Moulding machines were purchased in phases. 10 Machines were commissioned on September 19, 2019, 7 Machines were commissioned on December 1, 2020 and rest 11 Machines were commissioned on March 15, 2021. Hence Installed capacity has been calculated accordingly for respective financial years.*

- *The Earphone and Neckband Testing Equipment were commissioned on January 2, 2020 and October 1, 2020, respectively. Hence the installed production capacity of Earphone Manufacturing has been calculated for 3 months in FY 2019-2020 and Neckband installed production capacity for 6 months in FY 2021 - 2020.*

- *The Wave Soldering Machine used for the manual insertion of Mobile Charger PCBA was commissioned on December 1, 2020. The Mobile Charger production prior to that date was purely assembly manufacturing and testing using the assembly line. After December 2020, the manual insertion process of the PCBA is being done at the factory itself while the SMT process of the PCBA is done through external SMT partner.*

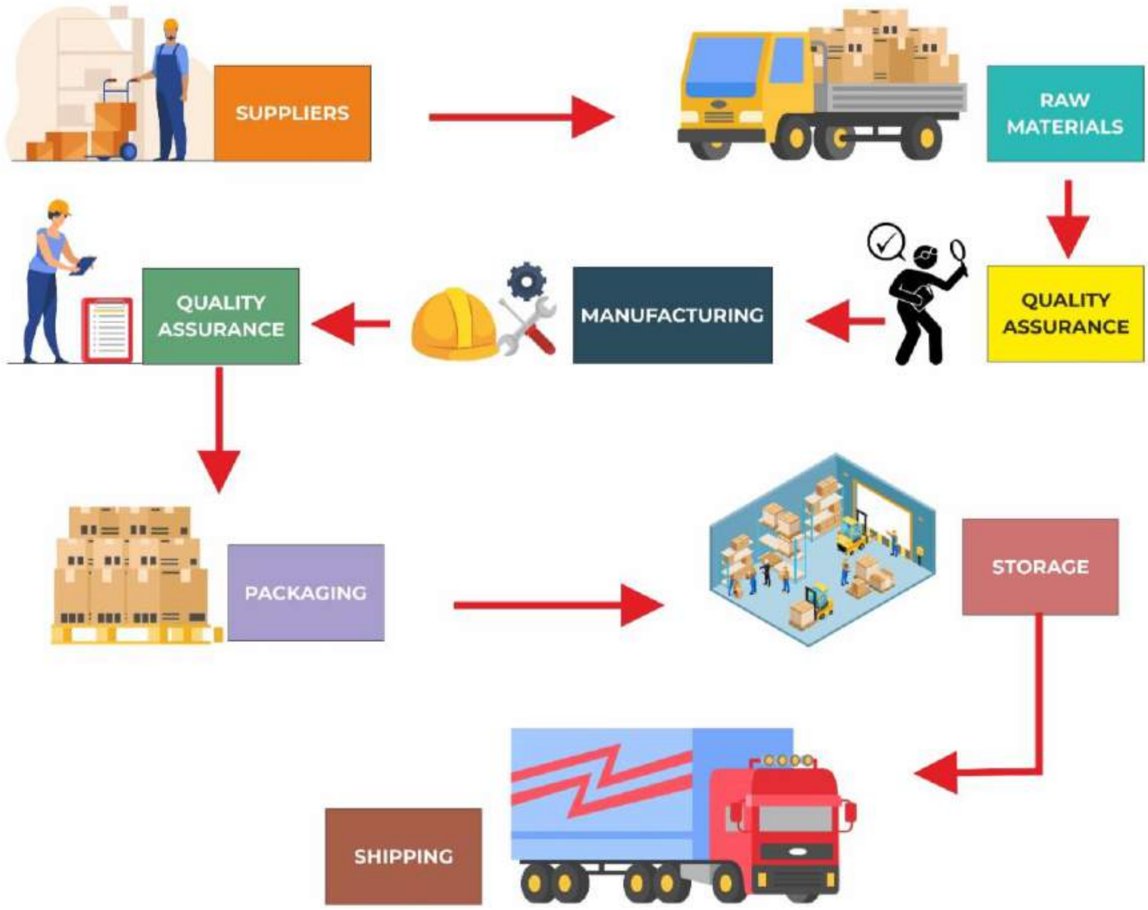
Source: Certificate from Jayanta Dutta, Chartered Engineer dated August 5, 2022 with membership number M-062008-9.

Business Process

Manufacturing Process

Our Company has undertaken a mix of product orientation and production orientation to mass-produce electronic items in a highly mechanised manner to ensure the lowest cost of manufacturing, while focusing on quality and customer needs at our Manufacturing Facility. Production of items like mobile data cables, earphones, mobile chargers are carried out in-house. The SMT process and metal and plastics casing/ housing are executed by specialised vendors according to the design and specifications provided by us. Design and packaging of our products are carried out in-house.

Below mentioned is the manufacturing process flow chart of our Company:

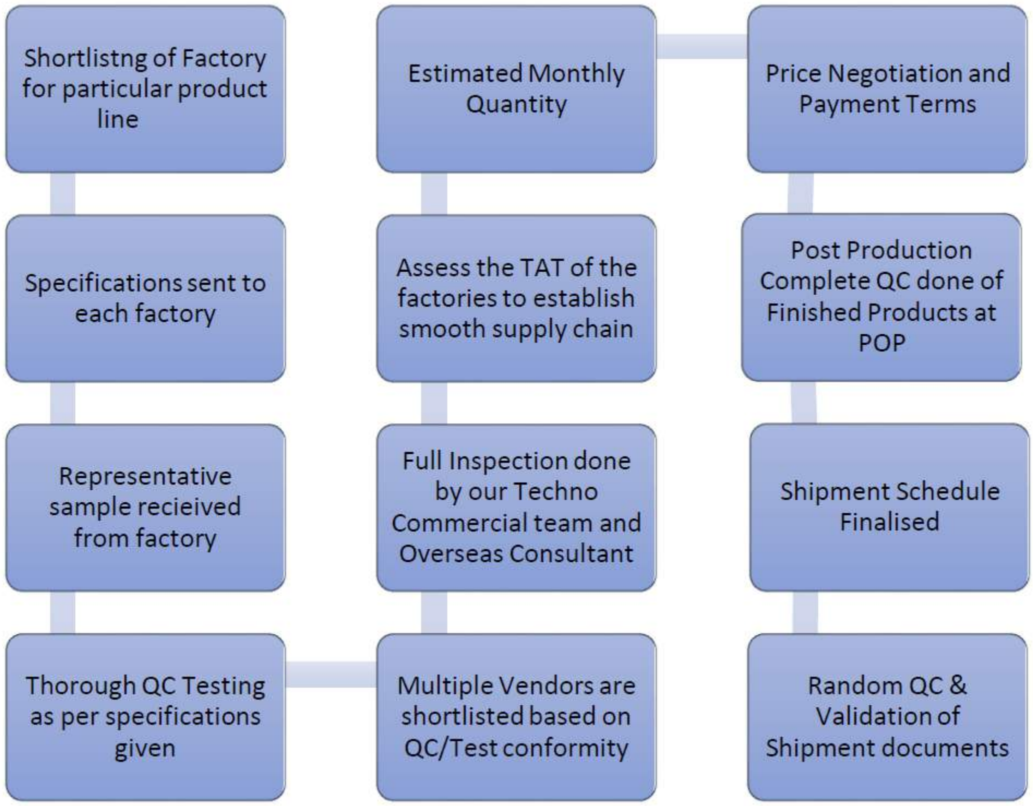


The raw materials are procured by our Company from various vendors after conducting a rigorous quality check with specified testing equipment. Subsequently, production is initiated as per the laid down SOP. Outward quality check testing is then performed to enable stringent product quality. Finally, the products are packed and shipped to various dealers for distribution.

Sourcing of Foxin Products from overseas vendors

Our branding business commences with the selection of a vendor for a particular product, which involves various activities. In the first stage, vendors are shortlisted, and specifications are sent to each of the shortlisted vendors. Subsequently, specimens are received from vendors which are scrutinised through QC testing as per the specifications. Vendors whose products conform to the QC tests are shortlisted. The monthly quantity of the product is then prognosticated and the turnaround time of the factory is assessed to ensure smooth supply. After assessment, the price is negotiated and the terms of payment are finalised. Upon completing production, a comprehensive quality check of the finished product is carried out and then packaged for delivery. Finally, the shipment schedule is determined and the process ends with verification of shipment documents and random quality checks.

Set forth below is the process flow chart for the souring of Foxin Products from overseas vendors by our Company:



Distribution Business

The supply chain of the distribution business of our Company starts with the procurement of goods. After procurement, our Company initiates the transportation and warehousing process. Logistics are arranged for the procured goods procured in a systematic manner. Our Company then supplies the products to dealers on credit and our credit terms vary from 0 days to 45 days. Our Company also provides sales assistance to our dealers.

Raw Materials and Component Sourcing

The raw materials and components that we use for the manufacturing of our products are sourced primarily from China. Further, we also source raw materials and components domestically. Our raw materials and components include, *inter alia*, aux pin, connectors, solder wire, air filter, mic earphone, silicon buds. Our total costs of raw material and components consumed were ₹ 1,581.51 lakhs, ₹ 2,214.81 lakhs and ₹ 683.03 lakhs in Fiscals 2022, 2021 and 2020, respectively.

We usually do not enter into long-term supply contracts with any of our raw material and component suppliers and typically source raw material and components from third-party suppliers or the open market. The terms and conditions for product quality and return policy are set forth in the purchase orders. Pricing and production volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw material and components generally follows market prices. We typically purchase raw material and components based on historical levels of sales, actual sales orders at hand and the anticipated sales forecasting taking into consideration any expected fluctuation in raw material and components prices and delivery delay. See, "*Risk Factors – An inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a material adverse effect on our business, results of operations and financial condition.*" on page 33.

Inventory Management

Our finished Foxin Products are stored at our Manufacturing Facility. We generally store a sufficient stock of finished goods at our Manufacturing Facility. The quantity of finished products manufactured by us is determined based on the demand of our products. The production and inventory levels of our finished products are planned on a periodic basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on the actual orders received. Our average inventory days were 49 days, 43 days and 44 days in Fiscals 2022, 2021 and 2020, respectively. We closely supervise our daily production and aim to maintain suitable inventory levels of raw material and finished goods at our Manufacturing Facility. Further, for raw material, we maintain different inventory levels depending on lead time required to obtain additional supplies.

Packaging Material

Our Company provides a broad selection of packaging options to fulfill the requirements of our brand "*Foxin*" as well as our clients. Our Company has a team of experienced designers to create packaging solutions after thorough research of competitor brands in the same category. Our Company has engaged with printers across India for cost-effective and modern product packaging. Our packaging options provide products with a striking aesthetic presentation while also offering crucial point-of-sale protection. Further, our Company ensures that our packaging material is recyclable and environment friendly.

Our Customers

We believe that our product portfolio helps us in offering a wide range of products to our customers, enhances our ability to attract new customers and helps de-risk the business through limited dependence on any single product category. We are not reliant on a single 'anchor' customer i.e. none of the customers contribute to a substantial portion of our turnover. This protects us from the risk on revenue owing to loss of any customer on occurrence of any adverse event. This diverse set of customers also establishes our credentials in the industry, and we leverage this to obtain more customers and increase our sales volume. We believe that the growth in our customer base signifies a wide acceptance of our products which in turn enables us to identify the products demand in the market and eventually helps us to promote new products developed by us to the same customer base. As of June 30, 2022 we cater to 5 brand owners in India.

Sales, Distribution and Marketing

Our Company has a robust sales and distribution network across India with a wide geographical reach in India through four channels of distribution: (i) dealers network, (ii) retail, (iii) online/e-commerce platforms, and (iv) through our own website www.foxin.in. As of June 30, 2022, our Foxin Products are sold through a dealer network of 1,873 dealers in India. As of June 30, 2022, under our distribution business, we sell the products of brand owners through 1,853 dealers in India. We have a control system for selection of dealers which is based on payment terms, credit history and sales service. Further, as of June 30, 2022, we had 27 branch offices (some of which are also used as warehouses and service centres) in India which are supported by a sales team of 248 employees, who are responsible for managing our sales and dealer channels. We believe that this distribution network ensures that our products are easily available to our customers in India. We track and ensure that every product is delivered successfully across India. Our primary focus is product safety during distribution. We ensure that the product is distributed and marketed as per the highest standards.

We also continue to engage in various marketing initiatives to build brand awareness and grow our market share in India. In addition to leveraging and engaging our dealers network, we also undertake direct promotional initiatives like advertising our Foxin Products through digital marketing. These activities and initiatives provide us with a platform to market and sell our products.

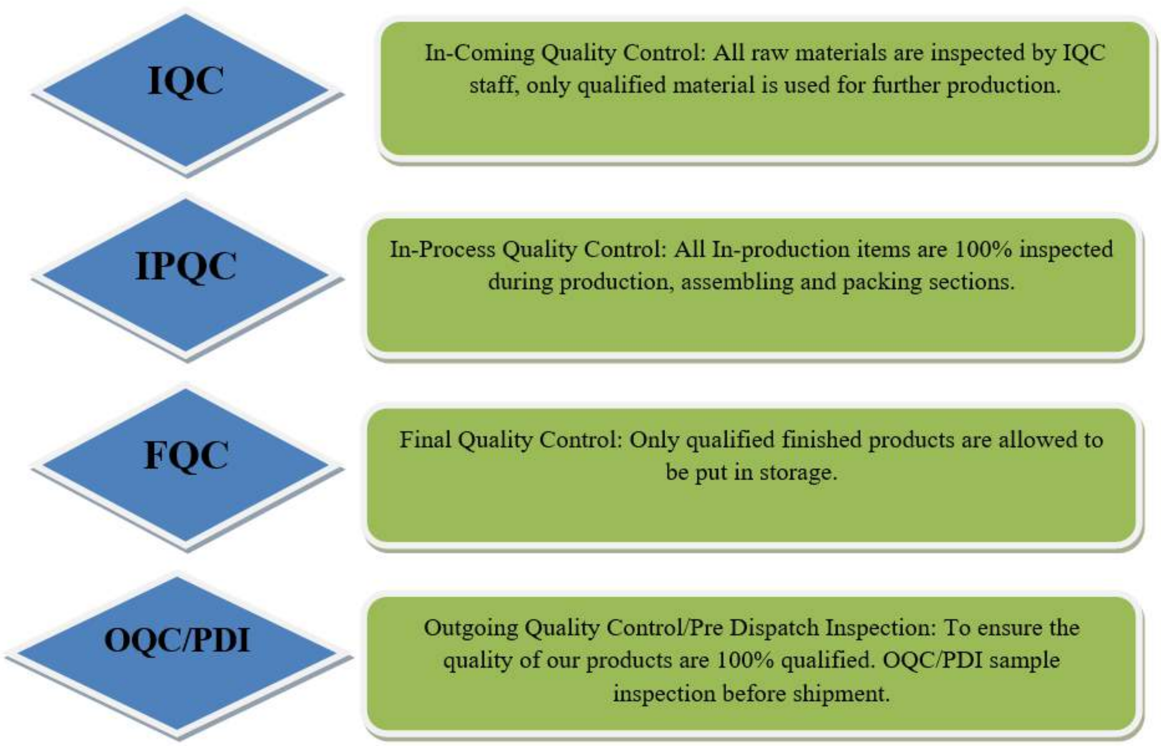
Research and Development

We place strong emphasis on product development through our research and development capabilities, which is crucial to keep us ahead of our competitors. The main objects of our research and development efforts are to develop new products, to continue upgrading and improving the functionalities and features of our existing products and to improve user experience. As on the date of this DRHP, we have a research and development department located within our Manufacturing Facility. Our research and development department works closely with our sales and marketing team to focus on market trends and consumer preference.

Quality Standards and Assurance

The ability to consistently deliver high-quality electronic products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials and through the various stages of production. Our Manufacturing Facility is certified with ISO 9001:2015 certifying our quality management system and ISO 14001:2015 certifying our environment management system for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals. As of June 30, 2022, our quality assurance department, , which enables us to monitor the quality of raw materials used by us and the end products produced by us consists of 7 employees. Product audit and quality rating are conducted, and quality check parameters are laid down to ensure adherence to defined process and product specifications. Our quality assurance department conducts various tests such as functional test, reliability test, drop test, battery heavy impact test, plug life test and tensile test to ensure that our end products adhere to our quality policies.

Set forth below is the quality control process flow chart of our Company:



Pricing

We determine the prices for our Foxin Products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. We review our prices regularly, based on the prevailing prices in the market.

After Sales Service

While developing and growing our product portfolio, we have also expanded our presence across online and offline channels to widen our distribution footprint. In light of our expansion, we are committed to ensure that our products are of a high quality and devoid of any manufacturing defects. However, in the event that any of our consumers identify a manufacturing defect in our products within the warranty period, they have the ability to reach out to us through a number of communication channels including our customer care helpline or via e-mail. Troubleshooting is done over the phone or email, through videos and by educating the customer about the correct procedure to operate a product.

In some cases, a physical check may be required for repair or replacement during the warranty period. As of June 30, 2022, we also had 77 authorised service providers that manage and provide after sales services to our end customers. In case any defect is found in the product, which is covered under the warranty terms, the product is repaired/ replaced by our service team and sent back to the customer. In case of replacement, our Company is covered by back to back warranty from our vendors.

Safety, Health and Environment

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. We are committed to ensure a safe and healthy workplace for our employees and minimise our potential impact on the environment. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our Manufacturing Facility, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Further, environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations. We believe that we have complied, and will continue to comply with all applicable environmental laws, rules and regulations. We have obtained all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For details, see "*Government and Other Approvals*" on page 291.

In order to discharge e-waste from our Manufacturing Facility, our Company has a dedicated section where all the e-waste is accumulated and disposed off. Our Company disposes off waste in accordance with the E-Waste Management and Handling Rules, 2011. In Fiscal 2022, we have disposed 133.23 Metric Tonnes of e-waste in the manner specified by law. End of life products and electronic scraps generated are dismantled and handed over to designated recycler through central pollution control board authorised e-waste handlers. We follow reverse logistics in the collection of e-waste through our service centres and partners and e-waste is sent for recycling from our Manufacturing Facility.

Information Technology

To achieve better synergy and transparency of the processes, we have integrated our processes with our ERP System Microsoft Dynamics NAV 2016 ("**ERP System**"). The ERP System is hosted at servers installed in our Registered and Corporate Office with Unified Threat Management System (UTM) comprising of Physical Hardware Firewall and Antivirus Software. Our ERP System has different modules including financial accounting, raw material management, sale and distribution, production planning knowledge management, personnel management and sales which is customised for our operating needs. The ERP System is integrated with API(s) to generate the IRN QR code for the invoice and also e-way bills helping us to achieve transparency of transactions. The ERP System is securely accessible through VPN tunnelling to our sales and marketing team across India, thus providing real time accurate data and enhanced control in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to dealers, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network.

Insurance

Our operations are subject to various risks inherent in the electronic industry such as risk of machinery failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our principal types of insurance coverage include burglary policy, standard fire and special perils policy and marine policy etc. which cover goods stored in our warehouses and property lost or damaged due to terrorism. We believe that our insurance coverage is in accordance with industry custom, including with respect to the terms of and the coverage provided by such insurance. For further details, see “*Risk Factors - Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.*” on page 45.

Human Resources

We place importance on developing our human resources. As of June 30, 2022, we had 637 employees. Our work processes, skilled, semi skilled and unskilled resources together with our management team have enabled us to implement our growth plans. In the Fiscal 2022, Fiscal 2021 and Fiscal 2020, our attrition rates were 5.52%, 4.88% and 5.71%, respectively. The breakdown of our employees as on June 30, 2022 in our business by function is summarised in the following table:

Department	**No of employees**
Director	2
Compliance and legal	3
IT	3
Administration and human resource	22
Accounts	35
Business operations (credit control, Dom purchase, import and logistics)	96
Marketing	10
Sales	248
Service	115
Production	103
Total	**637**

Our Company regularly conducts: (i) training for fire and safety drills, for our employees; (ii) technical training for our workers; and (iii) soft skill training sessions for our worker and engineers.

Intellectual Property

We have registered our brand logo “foxin” under class 9 with the Registrar of Trade Marks. As on the date of this Draft Red Herring Prospectus, we have been granted 2 trademark registrations including our brand logo. For further details, see “*Government and Other Approvals*” on page 291.

Competition

The electronic industry is highly competitive, and we face intense competition both from domestic as well as international players. The key factors of competition are availability of products, range, post sales services, quality, cost, delivery, development and management. For details, see “*Industry Overview*” beginning on page 109.

Property

Our Registered and Corporate office and our Manufacturing Facility, located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711 115, India is owned by our Company. Additionally, as on the date of this Draft Red Herring Prospectus, all of our branches, warehouses are obtained by our Company on lease or on leave and license basis.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific statutes, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to us in order to carry out our business and operations in India. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description set out below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. For details of government approvals obtained by our Company in compliance with these regulations, please refer to the section entitled "Government and Other Approvals" on page 291.

Key Acts, Regulations and Policies governing our Company

The Factories Act, 1948 ("Factories Act")

The term 'factory', as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the 'occupier' of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the "occupier" of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers' health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and rules made thereunder

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India ("**Ministry of Consumer Affairs**") has also notified the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

Information Technology Act, 2002 ("Information Technology Act")

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data.

The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("**IT Intermediaries Rules**") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

The Personal Data Protection Bill, 2019 (the "Bill")

The Bill, which proposes to supersede the Information Technology Act deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (a) "Personal Data" data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) "Sensitive Personal Data" includes such personal data, which may, reveal, be related to, or constitute: (i) financial data; (ii) health data; (iii) official identifier; (iv) sex life; (v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act, which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act provides for establishment of Bureau of Indian Standards to take all necessary steps for promotion, monitoring and management of the quality of goods, articles, processes, systems and services, as may be necessary, to protect the interests of consumers and various other stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing of standard marked goods or services sold by a certified body but not conforming to the relevant Indian Standard.

Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 (the "EITG Order")

The EITG Order provides for the registration of certain scheduled electronic goods under relevant Indian Standards ("IS") as prescribed by the BIS. As per the EITG Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the IS specified in the EITG Order. Further, manufacturers of these products are required to apply for registration from the BIS after getting their product tested from BIS recognized labs and requires manufacturers to mandatorily display the relevant IS mark as notified by the BIS on their products. Further, the BIS may notify additional categories of electronic goods requiring registration from time to time. The EITG Order also provides the BIS powers to inspect the premises of the manufacturer to ensure conformity of the products and issue directions in this regard.

Legal Metrology Act, 2009 ("LM Act")

The LM Act aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate, inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodities Rules")

The Packaged Commodities Rules lay down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia by mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) (Amendment) Rules ("**Packaged Commodity Amendment Rules**") issued on June 23, 2017 have introduced important amendments to the Packaged Commodity Rules, especially in relation to ecommerce entities. The Packaged Commodity Amendment Rules came into force from January 1, 2018. The key provisions of the Packaged Commodity Amendment Rules are regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

Legislations relating to sale of goods

The Sale of Goods Act, 1930 (the "Sale of Goods Act")

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872.A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

Intellectual Property Laws

The Trademarks Act, 1999 (the "Trademarks Act")

The Trade Marks Act, which came into force on December 30, 1999, along with the rules and regulations made thereunder, govern the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically, which distinguishes goods or services of one person from those of others, and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours, or any combination thereof. In India, trademarks enjoy protection under both statutory and common law. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and prevents the fraudulent use of marks in India.

The Trade Marks Act permits the registration of trade marks for goods and services. Certification trademarks and collective marks can also be registered under the Trade Marks Act. The Registrar of Trade Marks is the authority responsible for, among other things, registration of trademarks, settling opposition proceedings and rectification of the register of trade marks. The Trade Marks (Amendment) Act, 2010, has been enacted to cover Indian nationals as well as foreign nationals to secure simultaneous protection of trade marks in other countries. The Trade Marks (Amendment) Rules, 2013, were enacted to give effect to the Trade Mark (Amendment) Act, 2010.

Environmental Laws

The Environment (Protection) Act, 1986, as amended ("EPA") and the Environment (Protection) Rules, 1986

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment in its various aspects, laying down standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution among others. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities and agencies in certain cases, establishment of environmental laboratories and appointment of Government analysts.

The Air (Prevention and Control of Pollution) Act, 1981, as amended and in force from time to time ("Air Act")

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding State Pollution Control Boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Water (Prevention and Control of Pollution) Act, 1974, as amended ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines, or imprisonment, or both.

E-Waste Management Rules, 2016 (the "E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorisation from the state pollution control board and also submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

Regulations Related to Foreign Trade

The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder ("FTA")

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the Export-Import ("**EXIM**") Policy. The FTA prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("**IEC**") granted by the Director General of Foreign Trade pursuant to Section 7 of the FTA. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is made. The IEC shall be valid until it is cancelled by the issuing authority.

Foreign Investment Laws

Foreign investment in India is governed by the provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. Under the FEMA Rules and Consolidated FDI Policy (effective October 15, 2020), 100% foreign direct investment is permitted in single brand product retail trading sector, under the automatic route, subject to certain conditions specified thereunder. Further, in the event of foreign direct investment beyond 51%, the investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. In terms of the FEMA Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together with effect from April 1, 2020, will be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%), unless reduced by way of passing a special resolution. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 337.

Shops and establishments legislations in various states

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Labour Law Legislation

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the

- Industrial Disputes Act, 1947;
- Payment of Wages Act, 1936;
- Employees' Compensation Act, 1923;
- Minimum Wages Act, 1948;
- Employee's State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Trade Unions Act, 1926;
- Payment of Bonus Act, 1965;
- Industrial Employment (Standing Order) Act, 1946;
- Child Labour and Adolescent (Prohibition and Regulation) Act, 1986;
- Payment of Gratuity Act, 1972;
- Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressed) Act, 2013; and
- Maternity Benefit Act, 1961, among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

a. Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.

b. Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

c. Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, inter alia including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act ,1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the employee's provident fund and the employee's state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees suffer, among others.

d. Occupational Safety, Health and Working Conditions Code, 2020, which amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various enactments including, among others, the Factories Act, 1948 and the Contract Labour (Regulation and Abolition) Act, 1970.

While certain portions of the Code on Wages, 2019, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes shall become effective on the day that the Government shall notify for this purpose.

In addition to the above, our Company is subject to various laws and regulations such as the fire acts of various states, state laws under the Industrial Establishments (National and Festival Holidays) Act, 1965 and the provisions of the Companies Act 2013 and rules framed thereunder, and other applicable statutes imposed by the Government of India or the state governments and authorities for our day-to-day business and operations. Our Company is also amenable to various central tax laws including Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years, Central Goods and Service Tax Act, 2017, Central Sales Tax Act, 1956, Integrated Goods and Services Tax Act, 2017, Customs Act, 1961, professional tax related state-wise legislations, and various other state tax laws

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as '*Balaji Solutions Private Limited*' at Kolkata, West Bengal, as a private limited company under the provisions of the Companies Act, 1956, pursuant to certificate of incorporation dated February 19, 2001 issued by RoC. Subsequently, the name of our Company was changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on March 3, 2008 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on March 28, 2008. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on March 1, 2013 and the name of our Company was changed to '*Balaji Solutions Private Limited* pursuant to a fresh certificate of incorporation dated March 20, 2013, issued by the RoC. Subsequently, the name of our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 28, 2018 and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on August 7, 2018. Our Company was again converted into a private limited company pursuant to a special resolution passed by our Shareholders in their meeting held on April 17, 2019 and the name of our Company was changed to '*Balaji Solutions Private Limited*' pursuant to a fresh certificate of incorporation dated January 24, 2020, issued by the RoC. Subsequently, the name our Company was again changed to '*Balaji Solutions Limited*' upon conversion of our Company into a public limited company pursuant to a special resolution passed by our Shareholders on February 8, 2022 and the fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on February 25, 2022.

Change in the Registered Office of our Company

Except as provided below, there have been no changes in the registered office of our Company:

Effective Date	Details of change in the address of the Registered Office	Reason for change
December 28, 2005	The registered office of our Company was changed from 156 A, Lenin Sarani, 4th Floor, Kamalaya centre, Kolkata – 700 013, West Bengal, India to 19, R. N. Mukherjee Road, Ground Floor, Kolkata – 700 001, West Bengal, India	For the purpose of administrative convenience.
October 25, 2013	The registered office of our Company was changed from 19, R. N. Mukherjee Road, Ground Floor, Kolkata – 700 001, West Bengal, India to Unit no. 4B, Eco Space Business Park, New Town, Rajarhat, 9th Floor, Room No. 902, Kolkata-700 156, West Bengal, India	For the purpose of administrative convenience.
November 3, 2021	The registered office of our Company as changed from Unit no. 4B, Eco Space Business Park, New Town, Rajarhat, 9th Floor, Room No. 902, Kolkata-700 156, West Bengal, India to Anmol South City Infra Park, plot no. B4 and B5, Mouza Jagdishpur, JL No.2, dist. Howrah, P.S. Liluah Howrah 711 115, West Bengal, India	For the purpose of administrative convenience.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

1. *To carry on business of rendering services and development of computer, computer packages for Industrial, Commercial, Entertainment, Personal, Training Education, Defence, Internet, Electronic Commerce, Multimedia Communication and for all other purposes and to establish multimedia Centers, and to offer consultancy, education, training, development, data processing and any activity relating to Information*

Technology that are normally offered by such enterprises to commercial, industrial, business, advertisement, artistic, cultural and other types of end users in India or abroad.

2. *To carry on business of production, manufacture and supply of all computer hardware, software & peripherals, consumables & allied product & to assemble, repair, service, maintenance, import, export, trade, buy, sell, act as commission agents, sell on royalty, provide contract design services, publish, distribute, Install, modify and deal in all types of computer, hardware, peripherals, consumable and computer based products and allied accessories.*

3. *To establish software development centers, to enter into joint development/business alliances with other national or international firms/companies/individuals/consultants and to carry on the business of the Information Technology, software consultancy in telecom and all other areas, industries, sectors including Government and multinational agencies, etc. To act as Internet Service providers, content development of Internet, web hosting, web site design, domain name services, server farms, email services, e-commerce and other business. To carry on business of setting, running, managing Internet networks, advertising through network, and production of other intellectual properties.*

4. *To carry on the business of buying, selling, importing, exporting, manufacturing, assembling, applying, distributing, exchanging, converting, altering or otherwise handing or dealing mobile phone and related items.*

5. *To carry on in India or elsewhere the business to manufacture, produce, assemble, repair, install, maintain, covert, service, overhaul, test, buy, sell, exchange, modify, design, develop, export, import, renovate, discover, research, improve, mechanize, broadcast relay and to act as wholesalers, retailers, agents, stockiest , distributors, showroom owners, franchisers or otherwise to deal in all sorts of items, systems, plants, machines, instruments, apparatus, appliances, devices articles, or things of wireless communication of different models, capacities, characteristics, applications and uses in all its branches such as mobile phone, walkie talkies, man packs, mobile sets, base station sets, scanners, multiplexers, pagers, radio teletype interfaces, paging systems, navigation systems, radar, signaling & security apparatus, remote control devices & systems used in communication, defense security etc. and their parts, fittings, software, accessories, components.*

6. *To design, develop, fabricate, manufacture, assemble, export from and import into India, buy, sell or otherwise deal in and to act as consultants or render services in connection with all kinds of telecommunication equipments including terminal equipments, exchange equipments, electronic private automatic branch exchanges (EPBAX), rural automatic exchange (RAX), telephone instruments, switching exchanges, equipments, power line protective relay systems wave traps, measuring and testing equipments, wire group selectors and inter digital multi line connectors, power line carriers, communication equipment systems, radar and satellite communication equipments, digital telemetering control systems and all components, accessories, spare parts, kits and sub-assemblies in respect thereof.*

7. *To carry on the business of developing, maintaining and operating of providing telecommunication services whether basic or cellular including radio paging, domestic satellite services or network of trunking and electronic data interchange services, the telecommunication services be provided either by satellite owner and operated by an Indian Company or a foreign company.*

8. *To set up and operate in-bound/out-bound Tele Marketing Services (Call Centres) and other allied or related services/activities in India and abroad.*

9. *To manage land, building and other properties whether belonging to the Company or not and to collect rents and income and to supply tenants and occupiers and other refreshments, attendance, light, waiting rooms, teaching rooms, meeting rooms, electric conveniences and other advantages.*

10. *To carry on the business of processors buyers, sellers, suppliers, traders, merchants, importers, exporters, repairers, indentors, brokers, agents, assemblers, packers, stockiest, distributors and dealers of all kinds of electrical and electronic, domestic and commercial appliances, horological goods, machines, parts and devices, accessories and other things required in connection with.*

11. *To produce, buy, sell, import, export or otherwise deal in cinematographic films, television films, video films and video cassettes and to establish, purchase take on lease or hire or otherwise acquire, take over the maintain, and to sell, give, on lease or hire studios, laboratories, cinemas, picture places, halls, theatres, etc for production, processing and printing of files and to publish journals, magazines, books related to films and to carry on the business of exhibiting and distributing cinematographic films, television films, video films and acquiring or selling right therein.*

12. *To act as technical advisors or consultants or as market-surveyors and/or to offer such services or technical know-how and/or management services to any company, body corporate, firm or person or persons.*

13. *To carry on the business as importers, exporters, buyers and sellers of all types and varieties of paper, paper based products, packing materials and products, printed materials, binders, flexible packagers, books, cartons, plates, blankets printing cylinders, die cylinders, rotary dice, flexible die, embossing cylinder and dice, ink, all kinds of paints, colours, chemicals, chemical products, type and printing materials of all sort and kind and of description whatsoever.*

14. *To barter, exchange, pledge, prepare and deal in merchandise, commodities and articles of all kinds and to carry on any kind of commercial and/or financial business as the company may determine from time to time.*

15. *To let advance money or give credit to JV Companies/Subsidiary Companies on such terms as may seem to be expedient and to guarantee the performance of any contract or obligation and the payment of money to JV/Subsidiary Companies and to generally give guaranties or indemnities. The Company shall, however, not carry on banking business as laid down in Banking Regulation Act, 1949*

The main object clause and objects incidental or ancillary to the main objects contained in the Memorandum of Association enable our Company to undertake its existing business.

Amendments to our Memorandum of Association

Set out below are the amendments that have been made to our Memorandum of Association, in the last ten years preceding the date of this Draft Red Herring Prospectus:

Date of change/ shareholders' resolution	Nature of amendment
March 1, 2013	Subsequent to the conversion of the Company from public to private, Clause I of the MoA was amended pursuant to the change in name of the Company from '*Balaji Solutions Limited*' to '*Balaji Solutions Private Limited*'.
December 26, 2014	Clause III (object Clause) of the MoA was amended by way of inserting new sub-clauses after 2 of III (A).
	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹2,00,00,000 comprising 20,00,000 Equity Shares of ₹10 each to ₹5,00,00,000 comprising 50,00,000 Equity Shares of ₹10 each.
	Clause III (object Clause) of the MoA was amended by way of deletion of other objects in order to comply with the provisions of Companies Act,2013.
September 23, 2016*	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹5,00,00,000 comprising 50,00,000 Equity Shares of ₹10 each to ₹5,10,00,000 comprising 51,00,000 Equity Shares of ₹10 each.
February 2, 2017	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹5,10,00,000 comprising 51,00,000 Equity Shares of ₹10 each to ₹10,10,00,000 comprising 1,01,00,000 Equity Shares of ₹10 each.
May 5, 2017	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹10,10,00,000 comprising 1,01,00,000 Equity Shares of ₹10 each to ₹15,10,00,000 comprising 1,51,00,000 Equity Shares of ₹10 each.
September 14, 2018	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹15,10,00,000 comprising 1,51,00,000 Equity Shares of ₹10 each to ₹25,00,00,000 comprising 2,50,00,000 Equity Shares of ₹10 each.

Date of change/ shareholders' resolution	Nature of amendment
February 28, 2018	Subsequent to the conversion of the Company from private to public, Clause I of the MoA was amended pursuant to the change in name of the Company from '*Balaji Solutions Private Limited*' to '*Balaji Solutions Limited*'.
April 17, 2019	Subsequent to the conversion of the Company from public to private, Clause I of the MoA was amended pursuant to the change in name of the Company from '*Balaji Solutions Limited*' to '*Balaji Solutions Private Limited*'.
February 8, 2022	Subsequent to the conversion of the Company from private to public, Clause I of the MoA was amended pursuant to the change in name of the Company from '*Balaji Solutions Private Limited*' to '*Balaji Solutions Limited*'.
March 11, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹25,00,00,000 comprising 2,50,00,000 Equity Shares of ₹10 each to ₹62,00,00,000 comprising 6,20,00,000 Equity Shares of ₹10 each.
June 30, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹62,00,00,000 comprising 6,20,00,000 Equity Shares of ₹10 each to ₹87,00,00,000 comprising 8,70,00,000 Equity Shares of ₹10 each.

**The High Court at Calcutta, pursuant to its order dated September 5, 2016, approved the Scheme of Amalgamation pursuant to which FTPL was amalgamated with our Company.*

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2001	Incorporation of our Company in the name of "Balaji Solutions Private Limited"
2006	Launched in house brand –"Foxin"
	Opened our first branch office at Delhi to cater northern region of India
2008	Opened our first branch office in western region at Mumbai
2009	Opened our first branch office in southern region at Chennai
2016	Amalgamation of Foxin Technologies Private Limited with our Company
2017	Started mobile accessories vertical under our brand "*Foxin*"
2019	Started our factory operations
2021	Shifted our Registered Office to our owned premises located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India
2019	Started OEM manufacturing

Key awards, recognitions and accreditations

The below table sets forth some of the awards, recognitions and accreditations received by our Company:

Calendar Year	Awards, recognitions and accreditations
2010	Received "*Best Seller-Gold*" at The DQ Week Awards, 2010
2014	Received "*Pinnacle Award-Inkjet Products*" at the Canon Leadership Summit, 2014
	Received an award at DELL Champions Conclave Spain, 2014
2015	Received "*Silver Award for Outstanding performance and Lasting Contribution*" from DELL Champions Conclave
2016	Received "*Emerging IT Vendor of the Year- FOXIN*" Award from VAR India
	Received "Plaque of Appreciation for exceeding 1 million units of Int. HDD" from a brand owner
2018	Received "*Emerging Brand" Award from VAR India*
2020	Received "*Best On- Ear Headphone Brand of 2020*" at Mobility Excellence Awards
	Received "*Fastest Growing Mobile Accessories Brand of 2020*" at Mobility Excellence Awards
	Received "Authorized Distributor Certificate" from a brand owner

Calendar Year	Awards, recognitions and accreditations
2021	Received "*The Fast Growing Imaging Brand of 2021*" at Imaging Solutions Awards
	Received "*Best Charging Cable Brand of 2021*" at Mobility Excellence Awards
	Received "Authorized Distributor Certificate" from a brand owner

Significant financial or strategic partnerships

Our Company does not have any significant financial and strategic partners as on the date of this Draft Red Herring Prospectus.

Time/cost overrun

We have not implemented any projects and have therefore not experienced any instances of time/ cost overrun in the setting up of any projects.

Launch of key products or services, capacity/ facility, location of plants, entry in new geographies or exit from existing markets

For details of launch of key products or services by our Company, capacity/ facility creation, location of plants, entry in new geographies or exit from existing markets to the extent applicable, see *"Our Business"* on page 163. Further, also see "*History and Certain Corporate Matters- Major events and milestones*" on page 196.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks.

Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as stated below, our Company has not made any material acquisitions or divestments of any business or undertakings, and has not undertaken any mergers, amalgamations or revaluation of assets in the last 10 years:

1. ***Scheme of Amalgamation of Foxin Technologies Private Limited ("Transferor Company") with our Company ("Transferee Company") and their respective shareholders and creditors dated April 1, 2015 ("Scheme").***

In terms of the Scheme (under section 391 and 394 of the Companies Act, 1956) of Transferor Company with Transferee Company, and their respective shareholders and creditors, the Undertaking of the Transferor Company (as defined in the Scheme) was amalgamated into the Transferee Company. The certain rationale of the Scheme was, *inter alia*, as follows:

i. The Transferor Company was engaged in providing IT related services and the Transferee Company was engaged in the business of trading of IT and Telecom products and provision of IT related services.

ii. For optimum running, growth and development of the business and undertakings of the Transferor Company and Transferee Company with their combined resources and a larger capital and asset base, it was considered to amalgamate the Transferor Company with the Transferee Company.

iii. Further, the amalgamation will enable to consolidate and integrate the activities of the

Transferor Company and Transferee Company with pooling and more efficient utilization of their resources, reduction in overheads and for improvement in various other operating parameters. This will also result in formation of larger and stronger entity having greater capacity for conducting its operations more efficiently and competitively.

The Scheme, *inter alia*, provided for the following:

a. Amalgamation, transfer and vesting of the Undertaking of the Transferor Company (as defined in the Scheme) to the Transferee Company on a going concern basis, and consequently issue of shares by the Resulting Company in the manner set out in the Scheme and other applicable provisions of applicable law.

b. The amalgamation of the Transferor Company with the Transferee Company pursuant to the Scheme shall take place with effect from the appointed date i.e. September 23, 2016.

c. Increase in the authorized share capital of the Transferee Company in the manner set out in the Scheme and in accordance with Section 13, 61 of the Companies Act, 2013 and 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act.

d. All cheques, and other negotiable instruments received in the name of Transferor Company and issued by the Transferor Company after the Appointed Date and upto the Effective Date shall be deemed to have been made in the name of/by the Transferee Company.

The High Court of Calcutta *vide* its order dated September 5, 2016 approved the Scheme and became effective from September 23, 2016. Pursuant to the Scheme, the Transferee Company has issued and allotted 32,000 Equity Shares of face value of ₹10 each to the shareholders of Transferor Company in the ratio of 2 (Two) Equity Share of ₹10 each of the Transferee Company for every 5 (Five) Equity Share of ₹10 each held by the shareholders of the Transferor Company as on the record date.

Details of shareholders' agreement

There are no subsisting shareholders' agreements as on the date of this Draft Red Herring Prospectus.

Other material agreements

Our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company, as on the date of this Draft Red Herring Prospectus.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company.

Joint Ventures of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

Details of guarantees given to third parties by the promoter participating in the Offer for Sale

As on the date of the Draft Red Herring Prospectus, Rajendra Seksaria, the Promoter and Selling Shareholder, has issued the following guarantee to third party. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our company:

Sr. no.	Lender	Borrower	Type of facility	Sanctioned amount (₹ in lakhs
1.	HDFC Bank	Balaji Solutions Limited	Working capital-Fund based	3,118.00
			Working capital-Non- fund based	5,737.90
		Total		**8,855.90**

The above mentioned guarantees is typically effective for a period till the underlying loan is repaid. The financial implications in case of default by our Company would entitle the Lender to invoke the personal guarantee given by our Promoter to the extent of outstanding loan amount. Further, please see "*Financial Indebtedness*" and "*Financial Statements*" on pages 283 and 227, respectively.

OUR MANAGEMENT

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Draft Red Herring Prospectus, our Board comprises 6 (six) Directors, of whom 1 (one) is the Chairman and Managing Director, 1 (one) is a Whole-time Director and Chief Financial Officer, 1 (one) is a Non-Executive Director and 3 (three) are Independent Directors including 1 (one) Independent woman Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Board of Directors

The following table sets forth the details of our Board as on the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
Rajendra Seksaria ***Designation:*** Chairman and Managing Director ***Date of birth:*** January 13, 1972 ***Address*:** Flat No. 102, Rajat Garden, 21, Ballygunge Park Road, Ballygunge, Kolkata - 700 019, West Bengal, India ***Occupation*:** Business ***Current term:*** For a period of 5 (five) years with effect from June 3, 2022 till June 2, 2027 ***Period of Directorship*:** Director since February 19, 2001 ***DIN*:** 00943462	50	1. Nyk Techno Solutions Private Limited; and 2. Zaino Bags Private Limited.
Dinesh Bajaj ***Designation*:** Whole-time Director and Chief Financial Officer ***Date of birth:*** March 16, 1961 ***Address*:** Brindahban BL-B, 3rd Floor, FL-3K, 12 Mullick Para Lane, BSM Residency, Harihar Para, Bangur Avenue, North 24 Paraganas- 700055, West Bengal, India ***Occupation*:** Service ***Current term:*** For a period of 5 (five) years with effect from June 3, 2022 till June 2, 2027 and liable to retire by rotation	61	1. Ganeshaya Vyapaar Private Limited.

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
***Period of directorship*:** Director since November 19, 2007 ***DIN*:** 00638230		
Rakesh Kumar Agarwal ***Designation*:** Non-Executive Director ***Date of birth:*** July 19, 1969 ***Address*:** 48/506, Dobson Road, Moulana Abul Kalam Azad Road, Shyama Sadan, Haora (M. Corp), Howrah- 711 101, West Bengal, India ***Occupation*:** Self Employed ***Current term**:* Liable to retire by rotation ***Period of directorship*:** Director since January 13, 2022 ***DIN***: 00272843	53	1. Prachi Management Services Private Limited.
Shyamal Ghoshroy ***Designation*:** Independent Director ***Date of birth:*** December 14, 1959 ***Address*:** Flat 2A, 44/5/A, Becharam Chatterjee Road, Opposite United Friends Club, Behala, Circus Avenue, Kolkata – 700 034, West Bengal, India ***Occupation*:** Financial Consultant ***Current term:*** For a period of 5 (five) years with effect from June 3, 2022 till June 2, 2027 ***Period of directorship*:** Director since June 3, 2022 ***DIN*:** 08325657	62	1. Eastern Poly Craft Industries Limited
Nidhi Dubey ***Designation*:** Independent Director ***Date of birth:*** April 28, 1975 ***Address*:** B 11/13, Abhyudoy Co-operative Housing Society Ltd, EKTP Phase IV, E.K.T., Circus Avenue Kolkata-700 107, West Bengal, India	47	Nil

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (in years)	Other directorships
Occupation: Professional ***Current term:*** For a period of 5 (five) years with effect from May 6, 2022 till May 5, 2027 ***Period of directorship***: Director since May 6, 2022 ***DIN***: 08257155		
Siddhartha Shankar Roy ***Designation***: Independent Director ***Date of birth:*** July 29, 1955 ***Address***: Flat A-2, 2nd Floor, P/21, Senhati Colony, Kolkata- 700034, West Bengal, India ***Occupation***: Professional ***Current term:*** For a period of 5 (five) years with effect from June 3, 2022 till June 2, 2027 ***Period of directorship***: Director since June 3, 2022 ***DIN***: 08458092	67	1. Manaksia Coated Metals & Industries Limited

Brief profiles of our Directors

Rajendra Seksaria, is the Chairman and Managing Director of our Company. He has passed Higher Secondary examination. He has been actively associated with our Company since its incorporation and has more than 2 decades of experience in IT peripheral and mobile accessories industry. He is responsible for general conduct and management of the whole of the business and affairs of the Company.

Dinesh Bajaj, is a Whole-time Director and Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from the University of Calcutta. He has been associated with our Company since its incorporation and was appointed as Director in the year 2007. has more than 2 decades of experience in IT peripheral and mobile accessories industry. He is responsible for financial planning and analysis, treasury, tax and other finance operations.

Rakesh Kumar Agarwal, is a Non-Executive Director of our Company. He holds a bachelor's degree in Commerce from the University of Calcutta and a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He is currently working as Partner in KSA &Co. Chartered Accountants and has over 3 decades of experience in the field of accounts, audit and taxation.

Shyamal Ghoshroy, is an Independent Director of our Company. He holds a master's degree in Arts from the University of Calcutta and is an associate member of the Indian Institute of Bankers. He holds a diploma in Management from Indira Gandhi National Open University. He worked with Andhra Bank as General Manager and has over 36 years of experience in banking industry.

Nidhi Dubey, is an Independent Director of our Company. She holds a bachelor's degree in Commerce from the University of Calcutta and is a practicing member of Institute of Chartered Accountants of India. She worked with Aviva Life Insurance Company India Limited as Associate Vice President and A. K. Dubey & Co., Chartered Accountants as Partner and has over 19 years of experience in accounting, finance and taxation industry.

Siddhartha Shankar Roy, is an Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Calcutta and is an Associate of the Indian Institute of Bankers. He worked with United Bank of India as Senior Manager and has over 34 years of experience in Banking industry.

Relationship between our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of our Key Managerial Personnel.

Arrangement or understanding with major shareholders, customers, suppliers or others.

None of our Directors have been nominated, appointed or selected pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Except the employment agreement entered with Managing Director and Whole-time Director, our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Payment or benefit to Directors of our Company

Terms of Appointment of Executive Directors

1. Rajendra Seksaria

Our Board of Directors in its meeting held on June 3, 2022 and our Shareholders in their extraordinary general meeting held on June 30, 2022 approved the appointment of Rajendra Seksaria as the Chairman and Managing Director of our Company, for a period of 5 (five) years with effect from June 3, 2022 till June 2, 2027. The following table sets forth the terms of appointment:

I. REMUNERATION:

a) Gross Monthly Salary:

₹ 10,00,000/- (Rupees Ten Lakhs Only) per month (with an annual increment as per the decision by the Board of Directors, subject to the ceiling as prescribed in Schedule V of the Companies Act, 2013.

b) Allowances:

Leave Travel Concession:

First class leaves passage by air for self and family every year in INDIA or ABROAD.

Medical Facilities:

Medical Expenses for Mr. Rajendra Seksaria and his family will be borne by the Company as per the actuals.

c) Perquisites:

Company Car:

Provision of one car with driver, fuel, maintenance etc. for use on Company's business as also for personal use.

d) Retirement Benefits:

Provident Fund, Superannuation fund, Pension, Gratuity, NPS, Encashment of Leave and other benefit schemes like medical/others in accordance with the Company's practice /policy/rules.

e) Bonus:

Bonus of ₹ 1,00,00,000/- (One Crore only) every year out of the profits of the company in the relevant financial year with such revisions as may be approved by the Board from time to time (subject to the ceiling as prescribed in Schedule V of the Companies Act, 2013).

f) Work Related Perks:

Residential Telephones:

Telephone, fax, internet, mobile phones etc. as per requirement at Company's cost.

Club Fees:

Fees of clubs subject to a maximum of two clubs.

Membership of profession institutes/bodies at Company's cost.

Others as per the Company's Policy and Rules.

II. OVERALL REMUNERATION:

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under the sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being in force.

III. MINIMUM REMUNERATION:

In the event of no profits or inadequacy of profits, in any financial year, Rajendra Seksaria (DIN: 00943462) shall be entitled to receive the aforesaid remuneration, as revised from time to time, as minimum remuneration, subject to Compliance with the applicable provisions of Section 197 of the Act read with Schedule V of the Act

2. Dinesh Bajaj

Our Board of Directors in its meeting held on June 3, 2022 and our Shareholders in their extraordinary general meeting held on June 30, 2022 approved the appointment of Dinesh Bajaj as the Whole-time Director of our Company and is liable to retire by rotation. The following table sets forth the terms of appointment:

I. REMUNERATION:

a) Gross Monthly Salary:

₹ 1,65,000/- (Rupees One Lakhs and Sixty Five thousand Only) per month (with an annual increment as per the decision by the Board of Directors, subject to the ceiling as prescribed in Schedule V of the Companies Act, 2013.

b) Bonus:

Bonus as may be determined by the Board (subject to the ceiling as prescribed in Schedule V of the Companies Act, 2013).

c) Retirement Benefits:

Provident Fund, Superannuation fund, Pension, Gratuity, NPS, Encashment of Leave and other benefit schemes like medical/others in accordance with the Company's practice /policy/rules

d) **Work Related Perks:**

Club Fees:

Fees of clubs subject to a maximum of two clubs.

Membership of profession institutes/bodies at Company's cost.

Others as per the Company's Policy and Rules.

II. OVERALL REMUNERATION:

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under the sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being in force.

III. MINIMUM REMUNERATION:

In the event of no profits or inadequacy of profits, in any financial year, Dinesh Bajaj (DIN: 00638230) shall be entitled to receive the aforesaid remuneration, as revised from time to time, as minimum remuneration, subject to Compliance with the applicable provisions of Section 197 of the Act read with Schedule V of the Act.

Remuneration of our Directors from our Company

(a) Executive Directors

The following table sets forth the details of the remuneration paid by our Company to our Executive Directors for the Fiscal 2022:

Sr. No.	Name of the Executive Director	Remuneration (in ₹ lakhs)
1.	Rajendra Seksaria	122.00
2.	Dinesh Bajaj	19.80

(b) Non-Executive and Independent Directors

Pursuant to a resolution of the Board dated February 14, 2022, our Independent Directors and Non-Executive Director are entitled to receive sitting fees of ₹10,000 for attending each meeting of our Board and committees constituted of the Board. The sitting fees paid to our Non-Executive and Independent Directors during the Fiscal 2022 are as follows:

Sr. No.	Name of the Executive Director	Remuneration (in ₹ lakhs)
1.	Rakesh Kumar Agarwal	Nil
2.	Shyamal Ghoshroy*	-
3.	Nidhi Dubey*	-
4.	Siddhartha Shankar Roy*	-

**Appointed during the current Fiscal i.e., Fiscal 2023. Accordingly, no remuneration was paid to them in Fiscal 2022.*

Loans to Directors

Except as set forth in "*Related Party Transaction"* beginning on page 253 no loans have been availed by our Directors from our Company.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of our Directors and Key Managerial Personnel in our Company

Our Articles do not require our Directors to hold any qualification shares.

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company:

Sr. No.	Name of the Director	No. of Equity Shares held
1.	Rajendra Seksaria	4,80,00,000
2.	Dinesh Bajaj	1,600

Borrowing Powers

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, and pursuant to a resolution of the Shareholders of our Company passed in their annual general meeting held on September 14, 2018, in accordance with Section 180(1)(a) and (c) of the Companies Act, 2013, our Board is authorised to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit notwithstanding that the amount to be borrowed together with the amount already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital and free reserves of our Company provided that the total amount borrowed by the Board and outstanding at any point of time shall not exceed ₹ 20,000 lakhs.

Interest of Directors

All Directors may be deemed to be interested to the extent of reimbursement of expenses payable to them, if any and the remuneration payable to such Directors as decided by the Board from time to time. Our Executive Directors are interested to the extent of remuneration, payable to them for services rendered as an officer or employee of our Company. Our Non-Executive and Independent Directors are interested to the extent of the sitting fees.

Our Directors, may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Issue and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

There is no material existing or anticipated transaction whereby our Directors will receive any proceeds from the Fresh Issue.

Shailendra Kumar Seksaria, brother of Rajendra Seksaria is appointed as Branch Manager of the Company and has received ₹ 6.60 lakhs in Fiscal 2022.

Sangeeta Seksaria (w/o Rajendra Seksaria) is appointed as General Manager- Operations of the Company and has received ₹ 23.20 lakhs in Fiscal 2022.

Utkarsh Seksaria, son of Rajendra Seksaria is appointed as Manager- Marketing & Social Media of the Company and has received ₹ 4.90 lakhs in Fiscal 2022.

Interest of Directors in the promotion and formation of our Company

As on the date of this Draft Red Herring Prospectus, except for Rajendra Seksaria, none of our other Directors are interested in the promotion of our Company. For further details, see "*Our Promoter and Promoter Group*" on page 220.

Interest in property

Our Directors do not have any interest in any property acquired or proposed to be acquired by or of our Company.

Our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in "*Related Party Transactions*" beginning on page 253 and as disclosed in this section, our Directors do not have any other interest in our business.

Confirmations

None of our Directors have been identified as 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.

None of our Directors have been declared as a Fugitive Economic Offender.

None of our Directors are prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s) during their term of directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Changes to the Board in the last three years

The changes in the Board in the last three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Reasons
Dharmendra Sethia	July 8, 2022	Resignation due to personal reasons
Shyamal Ghoshroy	June 3, 2022	Appointment
Siddhartha Shankar Roy	June 3, 2022	Appointment
Nidhi Dubey	May 6, 2022	Appointment
Dharmendra Sethia	May 6, 2022	Appointment
Rakesh Kumar Agarwal	January 13, 2022	Appointment
Divya Awasthi	February 13, 2020	Resignation due to pre-occupation
Nidhi Dubey	February 12, 2020	Resignation due to pre-occupation
Pradip Sen	January 28, 2020	Resignation due to pre-occupation

Corporate Governance

The provisions of the Companies Act, 2013 and the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance laws prescribed under the Companies Act and the SEBI Listing Regulations, in relation to the composition of our Board and constitution of the committees thereof.

As on the date of filing this Draft Red Herring Prospectus, our Board comprises of 6 (six) Directors, of whom 3 (three) directors are Independent Directors including 1 (one) Independent woman Director.

Committees of our Board of Directors

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees:

i. Audit Committee;

ii. Nomination and Remuneration Committee;

iii. Stakeholder's Relationship Committee; and

iv. IPO Committee

In addition to the committees of our Board of Directors detailed below, our Board of Directors may, from time to time constitute committees for various functions.

Audit Committee

The Audit Committee was constituted by a meeting of the Board held on May 6, 2022. The members of the Audit Committee are:

Name of Director	Position in the Committee	Designation
Nidhi Dubey	Chairman	Independent Director
Shyamal Ghoshroy	Member	Independent Director
Dinesh Bajaj	Member	Whole-time Director and Chief Financial Officer

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee are as follows:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee of the Company;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary;
5. such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement

is correct, sufficient and credible;

2. Recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company including the internal auditor, cost auditor and statutory auditor of the Company, and fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (a) matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions; and
   (g) modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of the Company with related parties; All related party transactions shall be approved by only Independent Directors who are the members of the committee and the other members of the committee shall refuse themselves on the discussions related to related party transactions;
   Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary; Appointment of Registered Valuer under Section 247 of the Companies Act, 2013.
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up thereon;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. To review the functioning of the whistle blower mechanism;
21. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
23. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

24. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
25. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
26. The Audit Committee shall review compliance with the provisions of the SEBI Insider Trading Regulations, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;
27. To consider the rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc. of the Company and provide comments to the Company's shareholders; and
28. Carrying out any other functions as provided under the provisions of the Companies Act, the SEBI Listing Regulations and other applicable laws, and carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, 2013, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. Statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations; and
   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.
7. The financial statements, in particular, the investments made by any unlisted subsidiary; and
8. Such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a meeting of the Board held on May 6, 2022. The members of the Nomination and Remuneration Committee are:

Name of Director	Position in the Committee	Designation
Nidhi Dubey	Chairperson	Independent Director
Rakesh Kumar Agarwal	Member	Non-Executive Director
Siddhartha Shankar Roy	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Nomination & Remuneration Committee.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an

independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates;

3. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

4. Formulating criteria for evaluation of performance of independent directors and the Board;

5. Devising a policy on diversity of Board;

6. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

7. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

8. Recommending to the board, all remuneration, in whatever form, payable to senior management;

9. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

10. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

11. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);

12. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

13. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;

14. Framing suitable policies and systems to ensure that there is no violation, as amended from

time to time, of any securities laws or any other applicable laws in India or overseas, including:

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and

b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

15. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable; and

16. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a meeting of the Board held on May 6, 2022. The members of the Stakeholders' Relationship Committee are:

Name of Director	Position in the Committee	Designation
Nidhi Dubey	Chairperson	Independent Director
Rajendra Seksaria	Member	Chairman and Managing Director
Dinesh Bajaj	Member	Whole-Time Director and Chief Financial Officer

The Company Secretary of our Company shall serve as the secretary of the Stakeholders' Relationship Committee

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

2. Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

3. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

4. Reviewing the adherence to the service standards by the Company with respect to various

services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;

5. Review of measures taken for effective exercise of voting rights by shareholders;

6. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;

7. To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;

8. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;

9. To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and

10. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

11. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

IPO Committee

The IPO Committee was constituted by a meeting of the Board held on June 3, 2022. The members of the IPO Committee are:

Name of Director	Position in the Committee	Designation
Rajendra Seksaria	Chairperson	Chairman and Managing Director
Nidhi Dubey	Member	Independent Director
Dinesh Bajaj	Member	Whole-time Director and Chief Financial Officer

The terms of reference of the IPO Committee are as follows:

a) To decide, negotiate and finalize, in consultation with the book running lead managers appointed in relation to the Offer (the "**BRLMs**"), all matters regarding the Pre-IPO Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;

b) To amend the terms of participation by the Selling Shareholders in the Offer for Sale;

c) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;

d) To decide on other matters in connection with or incidental to the Offer, including the pre-IPO placement, timing, pricing and terms of the Equity Shares, the Offer price, the price band, the size and all other terms and conditions of the Offer including the number of Equity Shares to be offered and transferred in the Offer, the bid / Offer opening and bid/Offer closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

e) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus (the "**DRHP**"), the red herring prospectus (the "**RHP**") and the Prospectus as applicable;

f) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the Stock Exchanges, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

g) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;

h) To approve the relevant restated financial statements to be issued in connection with the Offer;

i) To appoint and enter into and terminate arrangements with the BRLMs, and appoint and enter into and terminate arrangements in consultation with the BRLMs with underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bankers to the Offer, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Offer, depositories, custodians, grading agency, monitoring agency, industry expert, credit rating agencies, printers, and any other agencies or persons or intermediaries whose appointment is required in relation to the Offer including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the BRLMs;

j) To decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

k) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power authorize one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

l) To authorise the maintenance of a register of holders of the Equity Shares;

m) To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

n) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

o) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

p) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

q) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

r) To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

s) To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

t) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Offer to sign all or any of the aforestated documents;

u) To authorize and approve notices, advertisements in relation to the Offer, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Offer;

v) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

w) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

x) To make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

y) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

z) To authorize any concerned person on behalf of the Company to give such declarations, affidavits, undertakings, certificates, consents and authorities as may be required from time to time in relation to the Offer or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;

aa) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board or any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

bb) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

cc) To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

dd) To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

ee) To delegate any of its powers set out under (a) to (dd) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company"

Management organisation chart

Key Management Personnel

For details in relation to the biographies of our Managing Director, Executive Director and Chief Financial Officer, see "*Brief profiles of our Directors*" on page 202. The details of the Key Managerial Personnel of our Company are as follows:

Sanjay Bajaj, is the Company Secretary and Compliance Officer of our Company with effect from November 21, 2017. He was appointed as Compliance Officer of our Company with effect from August 8, 2018. He holds a bachelor's degree in commerce from University of Calcutta and is a member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India. He is also a qualified cost and works accountant from Institute of Cost and Works Accountants of India. Prior to joining our Company, he was associated as Senior Manager- Finance (Retail) and Company Secretary with GKB Lens Private Limited. He has received a remuneration of ₹ 16.63 lakhs in Fiscal 2022.

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

Senior Management Personnel

The details of our Senior Management Personnel as on the date of this Draft Red Herring Prospectus are as follows:

Vivek Bhuwania is the Business Director of our Company with effect from October 1, 2021. He was appointed as Business Head with effect from April 4, 2016. He has received a remuneration of ₹ 49.62 lakhs in Fiscal 2022.

Rajnesh Kumar Sinha is the Business Director of our Company with effect from October 1, 2021. He was appointed as Vice President of our Company with effect from May 1, 2017. He holds a Post Graduate Diploma in Business Management from Institute of Management, Bhubaneshwar. Prior to joining our Company, he worked as Director with Bayside Global Private Limited, as Vice President- Sales with Fenda Audio (India) Private Limited, as National Business Head with Beetel Teletech Limited and as Deputy General Manager with Intex Technologies (India) Limited. He has received a remuneration of ₹ 58.35 lakhs in Fiscal 2022.

Relationship among Key Management Personnel and Directors

Except as disclosed in "-*Relationship between our Directors and Key Managerial Personnel*" on page 203, none of our Key Management Personnel are related to each other.

Arrangements and understanding with major shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Management Personnel

Except as disclosed in "-*Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 206, none of our other Key Management Personnel hold any Equity Shares in our Company.

Retirement and termination benefits

Except as mentioned under "-*Service contracts with Directors*" on page 203, our Key Managerial Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for Fiscal 2022, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company has no profit-sharing plan in which the Key Managerial Personnel participate.

Interest of our Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

The Key Management Personnel may also be deemed to be interested in the Equity Shares, if any, held by them, and dividend payable to them and other distributions in respect of Equity Shares held by them, if any.

Further, our Key Management Personnel may be deemed to be interested to the extent as disclosed in "-*Interest of Directors*" on page 206.

Changes in the Key Management Personnel in last three years

Except the details mentioned under "*Changes to the Board in the last three years*" on page 207, the details of the changes in the Key Management Personnel of our Company in the last three years are as follows:

Name	Designation	Date of change	Reason of change
Dinesh Bajaj	Whole – time Director and Chief Financial Officer	June 3, 2022	Appointment as Chief Financial Officer
Dinesh Bajaj	Whole-Time Director and Chief Financial Officer	May 4, 2021	Resignation as Chief Financial Officer

The rate of attrition of our Key Managerial Personnel is not high in comparison to the industry in which we operate.

Employee stock option plan

As on the date of filing of this Draft Red Herring Prospectus, our Company does not have employee stock option scheme.

Payment or benefits to the Key Management Personnel (non-salary related)

Except as disclosed in this section and in the sub-section titled "*Capital Structure – Details of Equity Shares granted under employee stock option scheme*" on page 80 in relation to the employee stock option plans, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's officers and Key Management Personnel within the two preceding years from the date of filing of this Draft Red Herring Prospectus, other than in the ordinary course of their employment.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

The Promoter of our Company is Rajendra Seksaria. As on date of this Draft Red Herring Prospectus, the Promoter, hold an aggregate of 48,000,000 Equity Shares in our Company, representing 80.00% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoter' shareholding in our Company, see "*Capital Structure – History of build-up of Promoters' shareholding and lock-in of Promoters' shareholding including Promoters' contribution – Build up of Promoters' shareholding in our Company*" on page 81.

A. Details of our individual Promoter are as follows:

Rajendra Seksaria

Rajendra Seksaria, aged 50 years, is our Promoter and is also the Chairman and Managing Director on our Board. For the complete profile of Rajendra Seksaria, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "*Our Management*" on page 200.

His permanent account number is AMCPS6802J.

Our Company confirms that the permanent account number, aadhar card number, driving license number, bank account number(s) and the passport number of each of our Promoter will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in management and control of our Company

There has not been any change in the management and control of our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of Promoter

Interest of our Promoter in the promotion of our Company

Our Promoter is interested in our Company to the extent that he is the Promoter our Company and to the extent of his respective shareholding in our Company, directly or indirectly along with that of his relatives, his directorship in our Company and the dividends payable, if any, and any other distributions in respect of his respective shareholding in our Company or the shareholding of his relatives in our Company, from time to time. For further details of our Promoter' shareholding, see "*Capital Structure*" on page 74. For further details of interest of our Promoter in our Company, see "*Restated Financial Statements – Note 36 – Information on Related Party Transactions as required by Ind AS-24 for the year ended March 31, 2022*" on page 245.

Rajendra Seksaria who is also a Chairman and Managing Director of our Company, may be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses, and commission payable, if any. For further details, see "*Our Management – Payment or benefit to Directors of our Company – Remuneration of our Directors*" on page 205.

Our Promoter is also interested to the extent of other remuneration, commission and reimbursement of expenses, payable to his relatives by our Company, if any. For further details, see "*Related Party Transactions*" on page 253.

Shailendra Kumar Seksaria, brother of Rajendra Seksaria is appointed as Branch Manager of the Company and has received ₹ 6.60 lakhs in Fiscal 2022.

Sangeeta Seksaria (w/o Rajendra Seksaria) is appointed as General Manager- Operations of the Company and has received ₹ 23.20 lakhs in Fiscal 2022.

Utkarsh Seksaria, son of Rajendra Seksaria is appointed as Manager- Marketing & Social Media of the Company and has received ₹ 4.90 lakhs in Fiscal 2022.

Interest of our Promoter in the property of our Company

Our Promoter does not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, or other such transaction. For further details, see "*Related Party Transactions*" on page 253.

Our Promoter do not have any direct or indirect interest in the properties that our Company has taken on lease.

Interest of our Promoter in our Company arising out of being a member of a firm or company

Our Promoter is not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoter or to any firm or company in which any of our Promoter is interested as a member, in cash or shares or otherwise by any person either to induce our individual Promoter to become, or qualify him as a director, or otherwise for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Payment or benefits to our Promoter or our Promoter Group

Except in the ordinary course of business and as disclosed in "*Related party disclosures"* on page 253, no amount or benefit has been paid or given to our Promoter or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or any of the members of the Promoter Group other than in the ordinary course of business.

The remuneration to the Promoter is being paid in accordance with their respective terms of appointment.

Litigations involving our Promoter

Except as disclosed under "*Outstanding Litigation and Material Developments*" on page 286, there is no litigation or legal and regulatory proceedings involving our Promoter as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Our Promoter have not disassociated themselves from any company or firm in the last three years preceding the date of this Draft Red Herring Prospectus.

Experience of our Promoter in the business of our Company

For details in relation to experience of our Promoter in the business of our Company, see "*Our Management*" on page 200.

Material Guarantees

Other than the guarantees provided by our Promoter in relation to certain of our loans as and when required, our Promoter has not given any material guarantees to any third parties with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus. For details see, *"History and other Corporate Matters"* "*Financial Indebtedness*" and "*Financial Statements –Notes to the Restated Financial Statements*" on pages 193, 283 and 227.

Other Confirmations

Our Promoter and members of our Promoter Group have not been declared Wilful defaulters or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter have not been declared as a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Our Promoter are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Promoter Group

In addition to our Promoter, individual and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

a. Natural persons who are part of our Promoter Group

The following table sets forth details of the natural persons who are part of our Promoter Group (due to their relationship with our Promoter):

Name of the Promoter	Name of relative	Relationship
Rajendra Seksaria	Mahabir Prasad Seksaria	Father
	Sushila Devi Seksaria	Mother
	Sangeeta Seksaria	Spouse
	Shailendra Kumar Seksaria	Brother
	Renu Jhunjhunwala	Sister
	Rajni Dalmia	Sister
	Utkarsh Seksaria	Son
	Harshika Seksaria	Daughter
	Lata Devi Churiwala	Spouse’s Mother
	Sanjeev Churiwala	Spouse’s Brother
	Babita Agarwal	Spouse’s Sister
	Kavita Jhajharia	Spouse’s Sister

b. Entities forming part of our Promoter Group

1. Zaino Bags Private Limited;
2. NYK Techno Solutions Private Limited;
3. Venkatesh International Exim Private Limited;
4. SAB Management Services Private Limited; and
5. Equinova Printers Private Limited.

c. Hindu Undivided Families forming part of the Promoter Group

1. Rajendra Seksaria HUF;
2. Shailendra Kumar Seksaria HUF;
3. Ram Kumar Jhajharia HUF;
4. Pramod Agarwal & Sons; and
5. Mahabir Prasad Seksaria HUF.

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations 'group companies' of our Company shall include (i) the companies (other than subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Financial Statements; and (ii) such other companies as considered material by the Board pursuant to the materiality policy.

With respect to point (ii), our Board has considered and adopted a policy for identifying the group companies of our Company in accordance with the SEBI ICDR Regulations and for purpose of disclosure in this Draft Red Herring Prospectus by a board resolution dated June 3, 2022 ("**Materiality Policy**"). In terms of the Materiality Policy a company shall be considered material and shall be disclosed as a 'Group Company' in the Draft Red Herring Prospectus, if such company (a) is a member of the promoter group of the Company (as defined in the Regulation 2 (1) (pp) of the SEBI ICDR Regulations); and (b) with which there were transactions in the most recent financial year and stub period, if any, (in respect of which restated audited financial statements are included in the Offer Document), ("**Test Period**") which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has the following Group Company:

1. Venkatesh International Exim Private Limited

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated below.

The details of our Group Company are provided below:

Venkatesh International Exim Private Limited ("VIEPL")

Corporate information

VIEPL was incorporated on November 27, 2012 under the Companies Act, 1956 as a private limited company. The registered office address of VIEPL is located at Eco Space, Plot No. 2F/11, New Town, 9th Floor Unit No. 902, Block - 4B, Rajarhat Kolkata 700156, West Bengal, India.

The CIN of VIEPL is U74900WB2012PTC188687

Financial information

VIEPL does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements for the preceding three years (for which audit has been done as on date of this Draft Red Herring Prospectus) shall be hosted on the website of our Company at https://www.balajisolutions.in/group/.

Nature and extent of interest of Group Company

a. In the promotion of our Company

Our Group Company has no interest in the promotion of our Company.

b. In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

c. In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

Our Group Company is engaged in business activities similar to that of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. For details of related business transactions between our Company and our Group Company, see "*Related Party Transactions*" on page 253. Also see "*Risk Factor - Our Group Company have conflict of interest as it is engaged in similar business and may compete with us*" on page 45

Related Business Transactions within our Group Company and significance on the financial performance of our Company

Except as disclosed in "*Related Party Transactions*" on page 253, there are no related business transactions with the Group Company.

Litigation

There is no pending litigation involving our Group Company which will have a material impact on our Company as on the date of this Draft Red Herring Prospectus.

Business interest of Group Company

Except in the ordinary course of business and as stated in "*Related Party Transactions*" on page 253, our Group Company has no business interest in our Company.

Confirmations

Our Group Company does not have any securities listed on any stock exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

It is clarified that details available on the websites of our Company do not form part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of Company or our Group Company mentioned above, would be doing so at their own risk.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, is recommended by the Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association, Companies Act and other applicable law. The dividend policy of our Company was adopted pursuant to the resolution of our Board dated June 3, 2022 ("**Dividend Policy**"). The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, our Company's liquidity position and future cash flow needs, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. For further details, see "*Risk Factors –Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements*" on page 47.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

No dividend has been paid by our Company on the Equity Shares during the last three Fiscals or from April 1, 2022 till the date of this Draft Red Herring Prospectus. There is no guarantee that any dividends will be declared or paid by our Company in the future. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Financial Indebtedness*" on page 283.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars
1.	Examination report on the Restated Financial Information
2.	Restated Financial Statements

[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulation, the audited standalone financial statements of our Company as at and for the year ended March 31, 2022, March 31, 2021, and March 31, 2020 and the reports thereon dated July 26, 2022, August 26, 2021 and September 1, 2020, respectively ("**Audited Financial Statements**") are available at www.balajisolutions.in.

Our Company is providing a link to this website solely to comply with the requirements specified under the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements should not be considered as part of information that any investor should consider to for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on/ for Fiscal 2022	As on/ for Fiscal 2021	As on/ for Fiscal 2020
Basic Earnings/ (loss) per Equity Shares (in ₹)	2.56	10.29	2.11
Diluted Earnings/ (loss) per Equity Shares (in ₹)	2.56	10.29	2.11
Return on Net Worth (%)	20.27	25.45	6.99
Net Asset Value Per Equity Share (₹)	12.65	40.46	30.16
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ in lakhs)	2,369.28	2,389.76	1,081.39

** Not Annualised*

The ratios have been computed as under:

1. *Basic EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of equity shares outstanding during the year*

2. *Diluted EPS (₹) = Net profit / (loss) after tax attributable to equity shareholders, as restated / Weighted average number of dilutive equity shares outstanding during the year*

3. *Return on networth = Net profit / (loss) after tax divided by net worth*

4. *NAV per equity share (₹) = Restated net worth as at year end / Number of equity shares outstanding at end of the year*

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Indian Accounting Standards i.e. Ind AS 24 'Related Party Transactions' for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 as reported in the Restated Financial Statements, see "*Financial Statements – Restated Financial Statements – Note 36 – Information on Related Party Transactions as required by Ind AS-24 for the year ended March 31, 2022*" on page 245.

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

*You should read the following discussion in conjunction with our Restated Financial Statements. Our Restated Financial Statements has been prepared under Indian Accounting Standards ("**Ind AS**"), the Companies Act and the SEBI Regulations.*

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting our Results of Operations" on pages 29 and 254, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on Restated Financial Statements and included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 227. Our financial year ends on March 31, therefore, all references to a particular Fiscal are to the 12-month period ended March 31 of that year. We have, in this Draft Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other real estate companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report "Indian Electronics Industry" dated August 1, 2022 prepared and issued by Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) ("**Fitch Solutions Report**") (which is commissioned and paid for by us exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer). Unless otherwise indicated, all financial, operational, industry and other related information derived from the Fitch Solutions Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are an IT hardware & peripherals and mobile accessories company engaged in the business of (i) manufacturing and branding of products under our flagship brand i.e. "*Foxin*" ("**Foxin Products**"); (ii) original equipment manufacturers ("**OEMs**") ranging from sourcing of components, designing, manufacturing, quality testing as per the specifications provided by certain brand owners; and (iii) distribution of various IT hardware & peripherals, mobile accessories, consumables and surveillance products of certain brand owners. Over the years we have been able to build our presence in India through a wide range of quality consumer products at an affordable prices and through our dealer channels in the electronic industry.

We currently classify our business under the following 3 (three) verticals:

Manufacturing: We carry out the business of manufacturing of products under our flagship brand "*Foxin*" such as. These includes the following:

- mobile accessories (USB data cables, power bank, mobile chargers),
- hearables and audio products (earphones, true wireless stereo ("**TWS**"), headphone and neckband) etc.,

Additionally, under this vertical, we have recently commenced the manufacturing of hearables and USB data cables as an OEM basis for certain brand owners. We manufacture and supply these products based on designs developed by our customers, who then further distribute these products under their own brand name.

Branding: We carry out the business of marketing and selling of our products which are manufactured and sourced from third parties across India under our flagship brand "*Foxin*". These include the following:

- hearables and audio products (multi-media bluetooth speakers, TWS, tower speakers, portable speakers, headphones and gaming headphones).
- IT hardware & peripherals (monitor, CPU cabinets, keyboards (wired and wireless), gaming keyboards (wired and wireless) and mouse (wired and wireless), mother board, solid state drive ("**SSD**"), uninterrupted power supply ("**UPS**"), switched mode power supply ("**SMPS**")).
- wearable products (smartwatch).
- imaging products (compatible toner cartridges for laser printers).

Distribution: We carry out the business of distribution of IT hardware & peripherals, mobile accessories, consumables, surveillance products etc., for certain brand owners.

With an aim to offer a comprehensive range of products, we have expanded our product portfolio across our various business verticals, which have resulted in enhanced growth and profitability. In order to provide a wide range of products, we continuously monitor the industry trends to ensure that our products continue to remain relevant and help meet the rapidly changing consumer preferences in India. We offer a wide range of quality products at affordable price under our brand i.e. "*Foxin*" targeting a wide customer base. For further details, see "*Business – Our Product Portfolio*" on page 172.

We currently, operate through one (1) manufacturing facility located at Anmol South City Infra Park, Plot No. B4 and B5, Mouza Jagdishpur, JL No. 2, Dist. P.S. Liluah, Howrah, West Bengal – 711115, India which is spread across an area of 9,495.74 square meters ("**Manufacturing Facility**"). Our Manufacturing Facility is strategically located on Kolkata-Mumbai highway providing us with strategic and operational advantages. This facilitates timely deliveries and improved efficiencies. Our Manufacturing Facility has an aggregate of 4 production lines, consisting of 5 assembly lines and 6 packaging lines, with a total installed capacity of 216.00 lakh units in Financial Year 2022, and a total actual production of 32.58 lakh units in Financial Year 2022 (*Certified by Jayanta Dutta, Chartered Engineer vide its certificate dated August 5, 2022 and having membership number M-062008-9)*. Our Manufacturing Facility is designed as per international standards and is well equipped with modern machineries capable of providing quality products and has received quality control certifications such as ISO 9001:2015 certifying our quality management system and ISO 14001:2015 certifying our environment management system for manufacturing of mobile and computer accessories, warehouse and services of mobile accessories and computer peripherals.

Over the years, we have established an extensive, distribution network for our branded products business as well as distribution business in India. We market, sell and distribute our products across India through dealers, retailers, third party e-commerce platforms and through our own website www.foxin.in. As of June 30, 2022, we have sold our products in 28 states and 5 union territories through a network of 3,726 dealers of which 1,873 dealers specifically deal in our Foxin Products. As of June 30, 2022, we had 27 branch offices (some of which are also used as warehouses and service centres) in India which are supported by a sales team of 248 employees, who are responsible for managing our sales and dealer channels. We believe this dealer network ensures that our products are easily available in the Indian market. We continue to engage in various marketing initiatives to build brand awareness and grow our market share in India. In addition to leveraging and engaging our dealers network, we also undertake direct promotional initiatives like advertising our Foxin Products through digital marketing.

To achieve better synergy and transparency of the processes, we have integrated our processes with our ERP System Microsoft Dynamics NAV 2016 ("**ERP System**"). The ERP System is hosted at servers installed in our Registered and Corporate Office with Unified Threat Management System (UTM) comprising of Physical Hardware Firewall and Antivirus Software. Our ERP System has different modules including financial accounting, raw material management, sale and distribution, production planning knowledge management, personnel management and sales which is customised for our operating needs. The ERP System is integrated with API(s) to generate the IRN QR code for the invoices and also e-way bills helping us achieve transparency of transactions. The ERP System is securely accessible through VPN tunnelling to our sales and marketing team across India, thus providing real time accurate data and enhanced control in terms of inventory level, ageing inventory, replenishment orders and redeployment requirements to dealers, retailers and sales executives. The integration of these software allows us to carry out demand planning accurately in a systematic manner, reduce lead time and manage our distribution network.

We are led by our Promoter, Rajendra Seksaria, who has extensive experience in the Indian electronics industry and has been intimately involved in the business for over two decades. Under his leadership, our Company has grown from a distribution house to having our own brand and also a manufacturing entity over the years. He has overseen the development of our business and is actively involved in the critical aspects of our business i.e., business strategic planning, product marketing, team management, channel expertise and competitive analysis. Our Promoters' relationships with our suppliers, customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter continues to remain actively involved in our operations and continues to bring his vision, business acumen and leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified and experienced Key Managerial Personnel who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships. For further details, see "*Our Management*" on page 200.

Our Journey

We commenced operations in 2001, under the leadership of our Promoter, Rajendra Sakseria. We started our business with sub-distribution and established a channel network over the years. In order to cater to the growing and varied demand of IT hardware & peripherals and mobile accessories, our Company launched its own brand with the name "Foxin" which is dedicated to manufacture products and meet the demand of the consumers. Foxin was originally being operated through *viz* "Foxin Technologies Private Limited" which was incorporated in the year 2006 and subsequently merged with our Company in the year 2016 *vide* an order dated September 5, 2016 passed by the High Court of Calcutta. For further details on the Scheme of Amalgamation, see "*History and Certain Corporate Matters-Details regarding material acquisition or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*". Since the launch of our Foxin brand, as of June 30, 2022, we have established 27 branches (some of which are also used as warehouses and service centres) in India. In 2019, we established our Manufacturing Facility and commenced manufacturing of mobile accessories, hearables and audio products. Considering the demand for these products and for scaling the utilization of our Manufacturing Facility, we also recently commenced OEM for certain brand owners.

OUR FINANCIAL PERFORMANCE

Some of our key financial parameters are set forth below:

(₹ in lakhs, except percentage)

Particulars	**Fiscal 2022**	**Fiscal 2021**	**Fiscal 2020**
Revenue from operations	48,224.72	48,348.16	45,215.92
EBITDA*(1)*	2,369.28	2,389.76	1,081.39
EBITDA margin (%)*(2)*	4.91	4.94	2.39
Profit After Tax	1,538.66	1,624.96	333.01
Profit After Tax Margin (%)*(3)*	3.19	3.36	0.74
Return on Equity (%)*(4)*	25.66	102.95	21.10
Return on capital employed (%)*(5)*	40.10	142.84	62.95
Fixed asset turnover ratio*(6)*	15.65	17.94	18.32
Net working capital*(7)*	4,546.79	3,502.20	1,780.76
Debt to equity ratio*(8)*	0.48	0.65	1.14

Interest coverage ratio[9]	7.00	6.38	1.58

Notes:

1. *EBITDA is calculated as profit before tax plus depreciation and finance cost, less other income;*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations;*
3. *Profit after Tax Margin is calculated as Profit after Tax divided by revenue from operations;*
4. *Return on Equity is calculated as Profit After Tax divided by Total Equity;*
5. *Return on capital employed is calculated as EBITDA divided by Net Worth+ Total Debt;*
6. *Asset turnover ratio is calculated as Revenue from Operations divided by Total Fixed Assets;*
7. *Net working capital is calculated as current assets less current liabilities;*
8. *Debt to equity ratio is calculated as Total Debt divided by total Equity;*
9. *Interest coverage ratio is calculated as EBIT divided by Interest Expenses.*

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

Our business, results of operations and financial condition are affected by a number of factors, some of which are beyond our control. This section sets out certain key factors that we believe have affected our business, results of operations and financial condition in the past or which we expect will affect our business, results of operations or financial condition in the future. For a detailed discussion of certain factors that may adversely affect our business, results of operations and financial condition, see "*Risk Factors*" beginning on page 29.

Business mix

Our revenue and profit margins are impacted by our product mix. Our product offerings primarily include a wide variety of products under our 3 (three) business verticals i.e. manufacturing, branding and distribution. For further details of our business verticals, see "*Our Business*" on page 163. The success of our business depends upon our ability to identify emerging market trends and offer wide range of product to our customers. According to the Fitch Solutions Report, our Company has a total addressable market share of ₹ 1,205.4 billion in FY 2021, which is expected to grow at a CAGR of 22.5%. As we continue to increase our focus on growing our business in India, we expect the relative proportion of revenue contribution from sales of our high margin products to increase in the future. While we believe that we are well placed to capitalize on the growing consumer demand for IT peripherals and mobile accessories, however, if we are unable to continue and/or expand our product range, we may lose market share to our competitors and that may adversely impact our results of operations.

Sales volume and demand of our products

Our revenue and profit margins are directly impacted by our sales volume of our goods traded, the products manufactured by us and by demand of the same from our customers. Majority of our revenue from operations is from sales of our traded goods which comprise of ₹ 44,859.76 lakhs,₹ 44,781.92 lakhs and ₹ 43,721.32 lakhs, representing 93.02%, 92.62% and 96.69% of our revenue from operations for Fiscal 2022, 2021 and 2020, respectively. The fluctuation in demand for our products may either require us to increase our inventories and production or decrease our inventories and production at short notice, which may result in us bearing additional costs and incurring losses. We must continue to generate demand for our products from our customers to drive growth in the future, and our results of operations will depend in part on the degree to which these efforts are successful.

Sales and marketing expenses

Our ability to advertise and market our products successfully affects our business operations, as it may help increase our brand recognition, acceptance and visibility, which in turn increases our sales of products and services. Our advertising expenses were ₹255.72 lakhs, ₹272.19 lakhs and ₹16.49 lakhs representing 0.53%, 0.56% and 0.04% of our revenue from operations for the financial years 2022, 2021 and 2020, respectively. We expect advertising and marketing expenses to continue to increase in the future as we continue to invest in the development of our brand and marketing for the successful launch of new products.

Dependence on third parties for distribution of our products

We are dependent on third parties in relation to our distribution and sales. All our products are distributed and sold through dealers, retailers, third party e-commerce platforms and through our own website www.foxin.in, over which we have limited control. We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. Our success is dependent on our ability to successfully tie up with e-commerce platform or appoint new dealers to expand our network and effectively manage our existing distribution network. Further, we may also face disruptions in the delivery of our products for reasons beyond our control, including poor handling of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries.

Competition

Domestic competition may adversely affect our business and results of operations. Some of our competitors may have greater financial, technical and managerial resources, greater access to raw materials and customers, better know-how and superior manufacturing facilities than we have. Competition emerges not only from the branded sector but also from the unorganised sector and from both small and big players. In the electronic industry, we face competition from various domestic and multinational companies in India, some of which have larger market presence compared to us. Our competitors include national players such as Compuage Infocom Limited, Creative Newtech Limited (previously known as Creative Peripherals and Distribution Limited), Rashi Peripherals Limited and Savex Technologies Private Limited amongst other *(Source: Fitch Solutions Report).*

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation:

a. The financial statements have been prepared on going concern under historical cost basis except for certain financial assets and liabilities which are measured at fair value.

b. Functional and Presentation Currency

The Financial Statements have been prepared in Indian Rupees (INR), which is also the Company's functional currency. The Financial Statements have been rounded off to nearest lacs, up to two places of decimals, unless otherwise stated.

2. Use of Estimates and Judgements:

The preparation of the restated financial information's, management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, income and expenses and disclosures relating to the contingent assets and liabilities on the date of the Restated Financial Information Although these estimates are based upon management's best knowledge of current events and actions, actual results could be differ from these estimates.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions:

a. Useful lives of depreciable and amortisable assets:-

The company reviews the estimated useful lives of depreciable or amortisable assets at each reporting period, based its expected utility of those assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of certain items of property, plant and equipment.

b. Inventories:-

The company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering past trend. Inventories are written done to NRV when such NRV is lower than their cost.

c. Defined benefit Obligation:-

The present value of defined benefit obligation which includes gratuity is determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in the assumptions. All assumptions are reviewed at each reporting date.

d. Recognition and measurement of provisions, liabilities and contingencies:-

Provision and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

Contingencies in the normal course may be arise from litigation and other claims. Potential liabilities that are possible but not probable of crystalizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes to accounts but are not recognized.

e. Income Taxes:-

The Company’s tax jurisdiction is India. Significant judgements are involved in determining the provisions for income taxes including amount expected to be paid or recovered for uncertain tax positions.

f. Fair value measurements:-

When the fair value of the financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on the quoted prices in the active markets, their fair value is measured using the valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

g. Lease:-

Lease Classification and assessment of the lease term, useful life of right to use of assets, discount rate.

3. Significant Accounting Policies:

a. Overall Considerations :-

The financial information have been prepared using significant accounting policies and measurement basis as summarised below.

b. Current versus non-current classification:-

The company presents assets and liabilities in the balance sheet on current and non-current classification:-

The asset/liability is expected to be realised/settled in normal operating cycle;
The asset is intended for sale or consumption;
The asset/liability is held primarily for purpose of trading;
The asset/liability is expected to be realised/settled within twelve months after reporting period;
The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at

least twelve months after reporting date;
In the case of a liability, there is no unconditional right to defer settlement of the liability for at least twelve months after reporting date;

All other assets and liabilities are classified as non-current.

c. Cash Flow Statement:-

Cash Flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of the transactions of no-cash nature, any deferrals or accruals past or future operating cash receipts or payments and any items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities

d. Property, Plant and Equipment and Intangible Assets:-

Property, Plant and Equipment's

Recognition:-

Property, Plant and Equipment are stated as cost less accumulated depreciation and impairment, if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent measurement (depreciation and useful lives):-

The Company depreciates property, plant and equipment on a pro-rata basis over their estimated useful lives using the straight line method. The estimated useful lives of the assets prescribed under the Schedule II of the Act, are as follows:

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that the future economic benefits associated with these will flow and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in Statement of Profit and Loss when incurred. The costs and related accumulated depreciation are eliminated from the financial statements upon sale or upon retirement of the asset and resultant gains or losses recognised in the Statement of Profit and Loss.

De-recognition:-

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss, when the asset is de-recognised.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of the property, plant and equipment recognised as at 1 April-2019, measured as per Indian GAAP, and use the carrying value as the deemed cost of such property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory and optional exemptions availed as per Ind AS 101) as initially adopted on the transition date ie 1 April-2019, while preparing the Restated Financial Information.

Depreciation

Effective from 1 April 2019, the Company has changed the useful life of building from 30 years to 60 years. A change in the useful life has been applied retrospectively.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. They are amortised over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors, including the effects of obsolescence, demand competition and other economic factors (such as stability of the industry and know technological advances) and the level of maintenance expenditures required to obtain the future cash flows from the asset. Residual value, useful lives and amortisation method are reviewed annually and, if expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

e. Taxation

Tax expense recognised in the Statement of Profit or Loss comprises the sum of the current tax and deferred tax except the ones recognised in Other Comprehensive Income or directly in Equity.

i. Current Income Tax

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current Income Tax relating to items recognised outside the profit or loss is recognised either is Comprehensive Income or in Equity.

Current Income Tax for the current and prior periods is recognised at the amounts expected to be paid to or received from the tax authorities, using the tax rates and the tax laws enacted or substantively enacted by the Balance Sheet date.

The Company off sets current tax assets and liabilities, where it has legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis , or to realise the asset and settle the liability simultaneously.

ii. Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on the tax rate (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of the temporary differences between the carrying amount of assets and liabilities for the financial reporting purposes and the corresponding amounts used for taxation purposes (i.e. tax base).

Deferred tax assets are recognised to the extent possible that the taxable profit will be available against which the deductible temporary differences can be utilized.

Entire deferred tax asset to be utilized. Any reduction is reversed to the extent possible that it becomes probable that sufficient taxable profit will be available.

Deferred tax relating to the items recognised outside the Statement of Profit and Loss is recognised either in other comprehensive income or in equity. Deferred tax assets and liabilities are offset when there is legally enforceable right to set off the non-current assets against non-current liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its non-current assets and liabilities on a net basis.

iii. Minimum Alternate Tax

Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. MAT Credits are in form of unused tax credits that are carried forward by the Company for a specified period of time. Accordingly, MAT Credit Entitlement has been grouped with deferred tax assets (net). Correspondingly, MAT Credit Entitlement has been grouped with deferred tax in Statement of Profit and Loss.

f. Provisions, contingent liabilities and contingent assets:-

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to provision is presented in the statement of profit and loss. Provisions are reviewed at each balance sheet date.

Contingent Liabilities

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that is not recognised because it is probable that an outflow resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent Assets are neither recognised nor disclosed. However, when realisation of the income is virtually certain, related asset is recognised.

Commitments

Commitments include the amount of the purchase order (net of advances) issued to the parties for completion of assets. Commitments are reviewed at each reporting period.

g. Revenue Recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods are transferred to the buyer, no effective control, to a degree usually associated with the ownership, is retained by the Company in respect of the goods transferred and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods. Sales are recognized net of discount, value added tax and goods and service tax on delivery of goods to the customers in respective of domestic sales and based on the terms of contract in respect of export sales.

Incentives and Refunds are recognized to the extent possible that economic benefits will flow to the Company and the revenue can be reliably measured

Unbilled revenue in form of Sales of support service is determined by the Company on the basis of the fulfilment of the scheme and the rate difference of the respective vendors.

Interest Income

Interest Income is recorded using Effective Interest Rate (EIR) for all the instruments measured at amortised cost. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets or to the amortised cost of financial liability.

h. Inventories

Inventories comprises of all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Finished Goods and Stock in trade are valued at lower of cost or net realizable value.

Raw Materials and bought out components are valued at cost.

i. Employee Benefit Expenses

Short Term Employee Benefits

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which related services are rendered.

Defined Contribution Plan:-

Company's contribution and other amount if any payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognized in the Statement of Profit and Loss of the year.

Company's liability towards Gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefit are determined and accounted in accordance with the applicable standards.
So far as the Gratuity is concerned the company contributes the ascertained liability to the Life Insurance Corporation of India which administers the contributions and makes the payment at retirement, death or incapacitation of employment to employee.

j. Foreign Currency Transaction:-

The financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the company. Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities are generally recognised in profit and loss in the year which they arise

k. Earnings Per Share:-

Basic earnings per share is 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 year.

For the purpose of calculating diluted earnings per share, the net Profit or Loss for the year attributable to the equity shareholders and weighted average number of share outstanding if any are adjusted for the effects of all dilutive potential equity shares

l. Financial Instruments:-

A financial instrument is any contract that gives rise to financial asset of one entity and a financial liability or equity instrument of another equity.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade Receivables are initially measured at the transaction price. Regular way of purchase and sale of financial assets are accounted for at trade date.

Subsequent Measurement

For the purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised Cost
- Fair Value through Other Comprehensive Income (FVTOCI)
- Fair Value through Profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Measured at Amortised Cost: A financial asset is measured at amortised cost if it is held within a business model whose objective is achieved by both collecting 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 (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Measured at 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 the 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 (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well at each reporting date at fair value. Fair value measurement is recognised in Other Comprehensive Income.

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

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss for financial assets.

ECL is the weighted average of the difference between all the contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade Receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12 month ECL area portion of the lifetime ECL which result from default events that are possible with 12 months from the reporting date, ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecast of future economic conditions.

Financial Assets

In respect of other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12- month expected credit losses, else at an amount equal to the lifetime expected credit losses.

While making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make the assessment, Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are at initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent Measurement:

For the purpose of subsequent measurement, financial liabilities are classified in following categories: -

- Fair Value through Profit or loss (FVTPL)
- Amortised Cost

Measured at FVTPL: A financial liability is classified as at FVTPL. It is classified as held for trading or it is derivative or it is designated as such on initial recognition. Financial liabilities as at FVTPL are measured at fair value and net gains and losses, including any interest expense is recognised in profit and loss.

Measured at Amortised: Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

The Company derecognizes a financial liability (or a part of financial liability) only when the obligation specified in the contract discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously

m. Impairment of non- financial assets:-

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated less that its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount , but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss has been recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

n. Lease:-

Company as a lessee:

The adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application on 01 April, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has lease contracts for various buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as an operating lease.

Lease payment were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis, (no straight lining was done in case escalations were considered to be in line with expected general inflation), over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

Leases previously accounted for as operating leases.

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leaves of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate of the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company has applied the available practical expedients wherein it:

Used a single discount rate to a portfolio of leases with reasonably similar characteristics

Relied on its assessment of whether leases are onerous immediately before the date of initial application.

Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

o. Fair Value:-

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in the financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability

p. Event after reporting date:-

Where the events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed

q. Segment Reporting:-

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As per requirement of Ind AS 108 "Segment Reporting" no disclosures are required to be made since the Company's activities consists of a single business segment of IT Enabled Services.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our income comprises of revenue from operations and other income.

Revenue from operations

Revenue from operation comprises revenue received from the sale of goods traded, sale of product manufactured, sale of service and unbilled revenue.

Other Income

Other income comprises of unclaimed and provision no longer required, written off, insurance and other claims, interest on fixed deposits, interests on others, sundry balance written off, maturity claim – LIC, profit on sale of fixed assets, exchange rate on fluctuations (net), legal expenses recovered, interest income on security deposit, and profit on sale of investments.

Expenses

Our expenses comprise of cost of raw material and components consumed, change in inventories of finished goods and stock in trade, purchase of trade goods, employees benefit expenses, finance cost, depreciation and amortisation, sales and marketing expenses and operating administrative expenses.

Cost of raw material and components consumed

Cost of raw material and components consumed includes opening stock and purchase of raw materials and components adjusted by closing stock.

Changes in inventories of finished goods and stock in trade

Changes in inventories of finished goods and stock in trade includes changes in the beginning and end of the year

Purchase of traded goods

Purchase of traded goods includes expenses toward purchase of computer, parts and peripherals.

Employee benefit expenses

Employee benefit expenses include expenses towards salary expenses, staff welfare expenses, contribution to gratuity, provident fund and other funds.

Finance costs

Finance costs includes bank charges, interest expenses, interest on others and interest expenses on lease liabilities and term loan.

Sales and marketing expenses

Sales and marketing expenses includes advertisement expenses, commission expenses, packing expenses, support service-online business and promotion expenses.

Depreciation and amortisation

Depreciation and amortisation includes depreciation on property, plant and equipment's.

Operating and administration expenses

Operating and administration expenses primarily includes audit fees, bad debts, donation, power and fuel, freight charges, general expenses, increase in share capital, insurance charges, internet and telephone charges, legal fees, office maintenance expenses, postage and stamp expenses, printing and stationery, professional charges, rates and taxes, rent, provision for bad and doubtful debt, building repairing, machine repairing, others, value added tax/ GST/ entry tax, sitting fees to director, travelling and conveyance expenses, net loss on foreign currency transactions, corporate social responsibility, loss on sale of fixed assets and vehicle running and maintenance.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for the periods indicated:

(₹ in lakhs, except unless stated otherwise)

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
INCOME						
Revenue from operations	48,224.72	99.31	48,348.16	99.02	45,215.92	99.68
Other income	333.01	0.69	476.16	0.98	146.71	0.32
Total income	**48,557.73**	**100.00**	**48,824.32**	**100.00**	**45,362.63**	**100.00**
Expenses						
Cost of raw material and components consumed	1,581.51	3.26	2,214.81	4.54	683.03	1.51
Changes in inventories of finished goods and stock in trade	862.08	1.78	(1,619.00)	(3.32)	2,114.84	4.66
Purchase of traded goods	39,367.25	81.07	41,384.13	84.76	38,531.22	84.94
Employees benefit expenses	2,561.30	5.27	2,221.94	4.55	1,739.64	3.83
Finance costs	295.64	0.61	330.66	0.68	534.91	1.18
Depreciation and amortisation	299.36	0.62	280.62	0.57	234.50	0.52
Sales and marketing expenses	388.67	0.80	422.91	0.87	236.02	0.52
Operation and administrative expenses	1,094.63	2.25	1,333.61	2.73	829.78	1.83
Total expenses	**46,450.44**	**95.66**	**46,569.68**	**95.38**	**44,903.94**	**98.99**
Profit before tax	**2,107.29**	**4.34**	**2,254.64**	**4.62**	**458.69**	**1.01**
Tax expense						
- Current tax	568.65	1.17	575.00	1.18	113.43	0.25
- Tax expenses of prior year	9.48	0.02	44.86	0.09	0.20	0.00*
- Deferred tax expense	(9.50)	(0.02)	9.82	0.02	12.05	0.03
Income tax expense	**568.63**	**1.17**	**629.68**	**1.29**	**125.68**	**0.28**
Profit after tax	**1,538.66**	**3.17**	**1,624.96**	**3.33**	**333.01**	**0.73**
Other Comprehensive Income						
Items that will not be reclassified to profit and loss						
i. Remeasurement of the gain/ (loss) of defined benefit plan	-	-	-	-	-	-
ii. Tax on above	-	-	-	-	-	-

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
Items that will be reclassified to profit and loss						
i. Remeasurement of the gain/ (loss) of defined benefit plan	-	-	-	-	-	-
ii. Tax on above	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-
Total comprehensive income for the period	**1,538.66**	**3.17**	**1,624.96**	**3.33**	**333.01**	**0.73**

**Rounding norms being adopted by the Company.*

Fiscal 2022 compared to Fiscal 2021

Income

Our total income for Fiscal 2022 was ₹48,557.73 lakhs as compared to ₹48,824.32 lakhs for Fiscal 2021, representing a decrease of 0.55%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations for the Fiscal 2022 was ₹48,224.72 lakhs as compared to ₹48,348.16 lakhs for the Fiscal 2021, representing a decrease of 0.26%. This was primarily due to decrease in sale of products manufactured to ₹ 2,804.42 lakhs in Fiscal 2022 from ₹ 3,352.84 lakhs in Fiscal 2021, which is partially offset by a) increase in sale of traded goods to ₹ 44,859.76 lakhs in Fiscal 2022 from ₹ 44,781.92 lakhs in Fiscal 2021; b) increase in sale of services to ₹ 462.03 lakhs in Fiscal 2022 from ₹ 213.40 lakhs in Fiscal 2021 and unbilled revenue of ₹ 98.51 lakhs in Fiscal 2022.

The drop in sale of manufactured goods in Fiscal 2022 was primarily due to normalisation post easing of Covid-19 lockdown restrictions which led to decrease in average selling price of the products in the Fiscal 2022 as compared from the previous year Fiscal 2021.

Other Income

Other income for the Fiscal 2022 was ₹333.01 lakhs as compared to ₹476.16 lakhs for Fiscal 2021, representing a decrease of 30.06%. The decrease in other income was primarily due to the depreciation of the Indian rupee against foreign currencies resulting in lesser forex gain in Fiscal 2022 by and decrease in insurance and other claims and interest on fixed deposits by ₹11.39 lakhs and interest on other by ₹9.46 lakhs in Fiscal 2022. The net gain on foreign currency transactions has decreased by ₹ 162.23 lakhs in Fiscal 2022 which is partially offset by a) increase in unclaimed and provision no longer required, written back by ₹ 35.04 lakhs b) increase in interest on others by ₹2.78 lakhs.

Expenses

The total expenses incurred by our Company in the Fiscal 2022 was ₹46,450.44 lakhs as compared to ₹46,569.68 lakhs for the Fiscal 2021, representing a decrease of 0.26%. Our total expenditure comprises of cost of raw material consumed, changes in inventories of finished goods and stock in trade, purchase of traded goods, employees benefit expenses, finance costs, depreciation and amortisation, sales and marketing expenses, operation and administrative expenses.

Cost of raw material and components consumed

Cost of raw material and components consumed for Fiscal 2022 was ₹1,581.51 lakhs as compared to ₹2,214.81 lakhs for Fiscal 2021, representing a decrease of 28.59%. The decrease in material and components consumed was primary attributable to a) decrease in material consumed for wired headphone by ₹ 208.31 lakhs in Fiscal 2022 and b) decrease in other material consumed by ₹ 489.77 lakhs which is partially offset by increase in material consumed for wire by ₹ 64.78 lakh in Fiscal 2022. The decrease was primarily due to overall decrease in production in Fiscal 2022 arising out of decreased market demand arising out of the second wave of COVID-19 pandemic.

Changes in inventories of finished goods and stock in trade

Changes in inventories of finished goods and stock in trade for Fiscal 2022 was ₹862.08 lakhs as compared to (₹1,619.00) lakhs for Fiscal 2021, representing an increase of 153.25%. The increase was primarily due to increase in on account of decrease in sales.

Purchase of traded goods

Purchase of traded goods for Fiscal 2022 was ₹ 39,367.25 lakhs as compared to ₹41,384.13 lakhs for Fiscal 2021, representing a decrease of 4.87%. The decrease was primarily due to decrease in purchases of computers, parts and peripherals.

Employee benefits expenses

Our employee benefits expenses for the Fiscal 2022 was ₹2,561.30 lakhs as compared to ₹2,221.94 lakhs during the Fiscal 2021, representing an increase of 15.27%. This was primarily due to a) increase in employee salary expenses by ₹ 354.46 lakhs in Fiscal 2022 was primarily due to increments to retain quality manpower b) increase in staff welfare expenses by ₹ 2.56 lakhs in Fiscal 2022 to reduce attrition and retain quality manpower. This is partially offset by decrease in contribution to gratuity, provident fund and other funds by ₹ 17.66 lakhs in Fiscal 2022.

Financial costs

Our finance cost for the Fiscal 2022 was ₹295.64 lakhs as compared to ₹330.66 lakhs during the Fiscal 2021, representing a decrease of 10.59% on account of decrease in interest cost and lower utilisation of working capital limited.

Depreciation and amortisation expenses

Our depreciation and amortisation expense for the Fiscal 2022 was ₹299.36 lakhs as compared to ₹280.62 lakhs during the Fiscal 2021, representing an increase of 6.68%. This increase was primarily due to increase in depreciation due to addition of plant and machinery at our Manufacturing Facility and addition of furniture and fixtures, office equipments, computer and peripherals at our registered and corporate office and increase in right of use assets on account of new and renewed lease agreements. The capital expenditure incurred for our registered office and additional expenditure in the enhancement of plant and machinery equipment for the Manufacturing Facility. Further, during Fiscal 2022, there was addition of right of use assets for ₹ 100.86 lakhs.

Sales and marketing expenses

Our sales and marketing expenses for the Fiscal 2022 was ₹388.67 lakhs as compared to ₹422.91 lakhs during the Fiscal 2021, representing a decrease of 8.10%. This decrease was primarily due to decrease in advertisement expenses by ₹ 16.47 lakhs in Fiscal 2022 and decrease in promotion expenses by ₹ 39.52 lakhs in Fiscal 2022 on account of shifting focus from print media (decrease in expenses by ₹ 72.26 lakhs in Fiscal 2022) to online media (increase in expenses by ₹ 55.79 lakhs).

Operating and administrative expenses

Our operating and administrative expenses for the Fiscal 2022, were ₹1,094.63 lakhs as compared to ₹1,333.61 lakhs during the Fiscal 2021, representing a decrease of 17.92%.

This decrease was primarily due to a) decrease in value added tax/GST/entry tax by ₹ 213.85 lakhs in Fiscal 2022. For Fiscal 2021, our Company had availed amnesty scheme and paid an amount of ₹ 160.42 lakhs towards entry tax of West Bengal, value added tax (VAT) of Rajasthan for ₹46.72 lakhs which resulted in higher outgo, b) decrease in corporate social responsibility expenses by ₹ 65.39 lakhs for Fiscal 2022 as the Company had paid higher contribution towards corporate social responsibility the past liability of CSR, disputed tax liability which were paid in Fiscal 2021 under amnesty scheme, c) decrease in building repairing expenses by ₹ 44.40 lakhs during the Fiscal 2022, d) no reporting of bad debts during Fiscal 2022 as against bad debts of ₹ 48.27 lakhs in Fiscal 2021, e) decrease in rates & taxes by ₹ 27.15 lakhs in Fiscal 2022.

This is further offset primarily by a) increase in professional charges by ₹65.09 lakhs in Fiscal 2022, b) increase in travelling and conveyance expenses by ₹ 71.11 lakhs in Fiscal 2022, c) increase in freight charges by ₹ 37.08 lakhs in Fiscal 2022 and d) increase in share capital expenses by ₹ 27.75 lakhs in Fiscal 2022.

Profit before tax

For the reasons discussed above our profit/(loss) before tax for the Fiscal 2022 was ₹2,107.29 lakhs as compared to ₹2,254.64 lakhs for the Fiscal 2021, representing a decrease of 6.54%.

Tax expense

Total tax expense for the Fiscal 2022 was ₹568.63 lakhs as compared to ₹629.68 lakhs for the Fiscal 2021 representing a decrease of 9.70%. The decrease in tax expense is primarily due to decrease in lesser profit decrease in tax expenses of prior year by ₹ 35.38 lakhs in Fiscal 2022. The Company has settled old demand under the amnesty scheme.

Profit after tax

As a result of the above, our restated profit for the Fiscal 2022 was ₹1,538.66 lakhs as compared to ₹1,624.96 lakhs for the Fiscal 2021. Our profit margin decreased to 3.19% in Fiscal 2022 from 3.36% in Fiscal 2021.

Fiscal 2021 compared to Fiscal 2020

Income

Our total income for Fiscal 2021 was ₹48,824.32 lakhs as compared to ₹45,362.63 lakhs for Fiscal 2020, representing an increase of 7.62%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations for the Fiscal 2021 was ₹48,348.16 lakhs as compared to ₹45,215.92 lakhs for the Fiscal 2020, representing an increase of 6.93%. The increase in revenue from operations for Fiscal 2021 was primarily due to a) increase in sales of products manufactured by ₹ 2,352.53 lakhs in Fiscal 2021, and b) increase in sale of goods traded by ₹ 1,060.60 lakhs in Fiscal 2021. This was further offset by a) decrease in sale of services by ₹ 226.32 lakhs in Fiscal 2021, and b) Nil unbilled revenue in Fiscal 2021 as against ₹ 54.57 lakhs in Fiscal 2020.

During Fiscal 2021 our Company has witnessed increase in capacity utilisation to 24.57% in Fiscal 2021 from 16.08% in Fiscal 2020. Further, in Fiscal 2021, our Company has also witnessed boost in demand for electronics goods across due to positive impact of Covid-19 pandemic.

Other Income

Other income for the Fiscal 2021 was ₹476.16 lakhs as compared to ₹146.71 lakhs for Fiscal 2020, representing an increase of 224.56%. The increase in other income was primarily due to a) appreciation of the Indian rupee against foreign currencies resulting in forex gain of ₹ 388.70 lakhs in Fiscal 2021, and b) increase in insurance and other claims by ₹ 16.06 lakhs in Fiscal 2021. This is further offset by decrease in interest on fixed deposits by ₹ 17.31 lakhs in Fiscal 2021.

Expenses

The total expenses incurred by our Company in the Fiscal 2021 was ₹46,569.68 lakhs as compared to ₹44,903.94 lakhs for the Fiscal 2020, representing an increase of 3.71%. Our total expenditure comprises of cost of raw material consumed, changes in inventories of finished goods and stock in trade, purchase of traded goods, employees benefit expenses, finance costs, depreciation and amortisation, sales and marketing expenses, operation and administrative expenses.

Cost of raw material and components consumed

Cost of raw material and components consumed for Fiscal 2021 was ₹2,214.81 lakhs as compared to ₹683.03 lakhs for Fiscal 2020, representing an increase of 224.26%. The increase was primarily due to a) increase in cost of material consumed for wired headphone by ₹377.89 lakhs in Fiscal 2021, b) increase in cost of material consumed for wire by ₹ 122.22 lakhs in Fiscal 2021, and c) increase in cost of material consumed for other raw materials by ₹1,031.67 lakhs in Fiscal 2021.

Changes in inventories of finished goods and stock in trade

Changes in inventories of finished goods and stock in trade for Fiscal 2021 was (₹1,619.00) lakhs as compared to ₹2,114.84 lakhs for Fiscal 2020, representing a decrease of (176.55)%. The decrease was primarily due to increase in sales in Fiscal 2021.

Purchase of traded goods

Purchase of traded goods for Fiscal 2021 was ₹41,384.13 lakhs as compared to ₹38,531.22 lakhs for Fiscal 2020, representing an increase of 7.40%. The increase was primarily due to increase in sales in Fiscal 2021.

Employee benefits expenses

Our employee benefits expenses for the Fiscal 2021 was ₹2,221.94 lakhs as compared to ₹1,739.64 lakhs during the Fiscal 2020, representing an increase of 27.72%. This was primarily due to the increase in salary expenses and contribution to gratuity, provident fund and other funds by ₹ 438.15 lakhs and ₹ 42.79 lakhs, respectively, in Fiscal 2021.

Financial costs

Our finance cost for the Fiscal 2021 was ₹330.66 lakhs as compared to ₹534.91 lakhs during the Fiscal 2020, representing a decrease of 38.18%. This was primarily due to decrease in utilisation of working capital limits by ₹ 1,656.61 lakhs in Fiscal 2021, along with reduction in interest rate on total borrowings.

Depreciation and amortisation expenses

Our depreciation and amortisation expense for the Fiscal 2021 was ₹280.62 lakhs as compared to ₹234.50 lakhs during the Fiscal 2021, representing an increase of 19.67%. This increase was primarily due to addition of plant and machinery at our Manufacturing Facility and addition of furniture and fixtures, electrical installation, motor vehicles, office equipments and computer and peripherals at our registered and corporate office. Further, during Fiscal 2021, there was addition of right of use assets of ₹ 58.58 lakhs.

Sales and marketing expenses

Our sales and marketing expenses for the Fiscal 2021 was ₹422.91 lakhs as compared to ₹236.02 lakhs during the Fiscal 2020, representing an increase of 79.18%. This increase was primarily due to increase in advertisement expenses by ₹ 255.70 lakhs which was further offset by decrease in promotional expenses by ₹ 61.37 lakhs in Fiscal 2021. Our Company has increased advertisement expenses towards online and print media expenses in Fiscal 2021.

Operating and administrative expenses

Our operating and administrative expenses for the Fiscal 2021 were ₹1,331.61 lakhs as compared to ₹829.78 lakhs during the Fiscal 2020, representing an increase of 60.72%. This increase was primarily due to a) increase in freight charges by ₹ 188.05 lakhs in Fiscal 2021, b) increase in value added tax/ GST/ entry tax by ₹ 195.41 lakhs in Fiscal 2021, c) contribution made towards corporate social responsibility for ₹ 90.39 lakhs in Fiscal 2021, d) increase in bad debts, donation, professional charges, rates and taxes by ₹ 30.65 lakhs, ₹ 20.41 lakhs, ₹ 30.72 lakh and ₹ 27.10 lakhs respectively for Fiscal 2021, e) building and repairing expenses incurred during Fiscal 2021 for ₹ 50.74 lakhs, f) increase in other expenses by ₹ 67.29 lakhs in Fiscal 2021, and g) loss on sale of assets by ₹ 16.45 lakhs for Fiscal 2021.

This was further offset primarily by a) net loss on foreign currency transactions by ₹ 127.47 lakhs in Fiscal 2021, b) decrease in travelling and conveyance expenses by ₹ 56.07 lakhs in Fiscal 2021, and c) decrease in rent expenses by ₹ 21.41 lakhs in Fiscal 2021.

Profit before tax

For the reasons discussed above our profit/(loss) before tax for the Fiscal 2021 was ₹2,254.64 lakhs as compared to ₹458.69 lakhs for the Fiscal 2020, representing an increase of 391.54%.

Tax expense

Total tax expense for the Fiscal 2021 was ₹629.68 lakhs as compared to ₹125.68 lakhs for the Fiscal 2020 representing an increase of 401.02%. The increase in tax expense by ₹504.00 lakhs due to increase in revenues during Fiscal 2021.

Profit after tax

As a result of the above, our restated profit for the Fiscal 2021 was ₹1,624.96 lakhs as compared to ₹333.01 lakhs for the Fiscal 2020. Our profit margin increased to 3.36% in Fiscal 2021 from 0.74% in Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed our working capital requirements and the expansion of our business and operations primarily through funds generated from our operations and borrowings. From time to time, we may obtain loan facilities to finance our working capital requirements.

Cash Flows

The following table sets forth certain information relating to our cash flows in the periods indicated:

(₹ in lakhs)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net cash generated from operating activities	1,438.03	1,979.47	1,656.57
Net cash used in investing activities	(406.97)	(370.44)	(521.74)
Net cash used in financing activities	(1,198.56)	(1,632.44)	(1,177.85)
Net (decrease)/ increase in cash and cash equivalents	(167.50)	(23.41)	(43.02)

Operating Activities

Fiscal 2022

In the Fiscal 2022, net cash generated operating activities was ₹1,438.03 lakhs and the operating profit before working capital changes was ₹2,620.33 lakhs. While our restated profit before tax was ₹ 2,107.29 lakhs in Fiscal 2022, we had an operating profit before working capital changes of ₹2,620.33 lakhs, primarily due to adjustments towards depreciation and amortisation expense of ₹ 299.36 lakhs, interest paid of ₹ 248.35 lakhs, increase in share capital of ₹ 27.75 lakhs, loss on sale of fixed assets of ₹ 9.75 lakhs which was partially offset by interest received of ₹ 32.88 lakhs and sundry balance written off of ₹ 39.29 lakhs.

Our adjustments for working capital for Fiscal 2022, primarily consisted of decrease in inventories of ₹835.32 lakhs, increase in trade receivables (₹586.10) lakhs, increase in other financial assets (non-current assets) of ₹16.96 lakhs, decrease in other non-current assets of ₹223.82 lakhs, increase in other current assets of ₹262.25 lakhs, decrease in provisions of ₹27.94 lakhs, decrease in trade payables of ₹346.57 lakhs, decrease in other current liabilities of ₹45.04 lakhs and decrease in other financial liabilities of ₹267.92 lakhs.

Fiscal 2021

In the Fiscal 2021, net cash generated operating activities was ₹1,979.47 lakhs and the operating profit before working capital changes was ₹2,778.95 lakhs. While our restated profit before tax was ₹2,254.64 lakhs in Fiscal 2021, we had an operating profit before working capital changes of ₹2,778.95 lakhs, primarily due to adjustments towards depreciation and amortisation expense of ₹ 280.62 lakhs, interest paid of ₹ 272.93 lakhs, loss on sale of fixed assets of ₹ 16.45 lakhs, which was partially offset by interest received of ₹ 42.34 lakhs and sundry balance written off of ₹ 3.35 lakhs.

Our adjustments for working capital for Fiscal 2022primarily consisted of increase in inventories of (₹2,035.90) lakhs, decrease in trade receivables ₹479.86 lakhs, decrease in other financial assets (non-current assets) of ₹59.93 lakhs, increase in other non-current assets of ₹109.98 lakhs, decrease in other current assets of ₹138.77 lakhs, increase in provisions of ₹57.48 lakhs, increase in trade payables of ₹902.87 lakhs, increase in other current liabilities of ₹64.11 lakhs and increase in other financial liabilities of ₹21.69 lakhs.

Fiscal 2020

In the Fiscal 2020, net cash generated operating activities was ₹1,656.57 lakhs. While our restated profit before tax was ₹ 458.69 lakhs in Fiscal 2020, we had an operating profit before working capital changes of ₹ 1,100.02 lakhs, primarily due to adjustments towards depreciation and amortisation expense of ₹ 234.50 lakhs, interest paid of ₹ 477.93 lakhs which was partially offset by interest received of ₹ 59.65 lakhs and sundry balance written off of ₹ 10.38 lakhs and profit on sale of fixed assets of ₹ 1.07 lakhs.

Our adjustment for working capital was primarily due to decrease in inventories of ₹1,982.17 lakhs, decrease in trade receivables ₹1,010.29 lakhs, decrease in other financial assets (non-current assets) of ₹0.55 lakhs, decrease in other non-current assets of ₹248.77 lakhs, decrease in other current assets of ₹236.06 lakhs, decrease in provisions of ₹1.17 lakhs, decrease in trade payables of ₹2,655.10 lakhs, increase in other current liabilities of ₹11.36 lakhs and increase in other financial liabilities of ₹78.80 lakhs.

Investing Activities

Fiscal 2022

In Fiscal 2022, net cash used in investing activities was ₹406.97 lakhs primarily on account of purchase of property, plant and equipment of ₹538.83 lakhs for our Manufacturing Facility, interest received of ₹32.88 lakhs, capital work in progress of ₹78.65 lakhs on account of capitalisation and proceeds from sale of assets mainly furniture and fixtures of ₹20.33 lakhs.

Fiscal 2021

In Fiscal 2021, net cash used in investing activities was ₹370.44 lakhs primarily on account of purchase of property, plant and equipment of ₹358.86 lakhs, proceeds from investments of ₹24.73 lakhs, interest received of ₹42.34 lakhs and capital work in progress of ₹78.65 lakhs.

Fiscal 2020

In Fiscal 2020, net cash used in investing activities was ₹521.74 lakhs primarily on account of purchase of property, plant and equipment of ₹1,842.75 lakhs, proceeds from investments of ₹1.90 lakhs, interest received of ₹59.65 lakhs and capital work in progress of ₹1,259.46 lakhs.

Financing Activities

Fiscal 2022

In Fiscal 2022, net cash used in financing activities was ₹1,198.56 lakhs primarily on account of repayment of short-term and long-term borrowings ₹441.37 lakhs, interest paid of ₹212.59 lakhs, increase in share capital of ₹27.75 lakhs, repayment of leasehold liabilities of ₹184.13 lakhs and buyback of shares ₹332.72 lakhs.

Fiscal 2021

In Fiscal 2021, net cash used in financing activities was ₹1,632.44 lakhs primarily on account of repayment of short-term and long-term borrowings ₹1,223.44 lakhs, interest paid of ₹224.79 lakhs and repayment of leasehold liabilities of ₹184.21 lakhs.

Fiscal 2020

In Fiscal 2020, net cash used in financing activities was ₹1,177.85 lakhs primarily on account of repayment of short-term and long-term borrowings ₹570.45 lakhs, interest paid of ₹426.48 lakhs and repayment of leasehold liabilities of ₹180.92 lakhs.

FINANCIAL INDEBTEDNESS

As of June 30, 2022, we had outstanding indebtedness of ₹4,922.88 lakhs. For further details, see "*Financial Indebtedness*" on page 283.

CAPITAL COMMITIMENT AND CONTRACTUAL OBLIGATIONS

Capital Commitment

The estimated amount of capital commitments to be executed on capital accounts and not provided for, as at March 31, 2022, 2021 and 2020 are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unexpired bank guarantee	450.00	971.18	1,207.62
Letter of credit	926.32	-	484.89
Capital commitment	-	96.95	-
Total	**1,376.32**	**1,068.13**	**1,692.51**

Contractual Obligations

The table below set forth as of March 31, 2022, our financial liabilities based into relevant maturity based on their contractual maturities are as follows:

(₹ in lakhs)

As at March 31, 2022	0-1 year	1-5 year	>5 years	Total
Long term borrowings	474.72	-	-	474.72
Lease liabilities (non-current)	-	212.44	-	212.44
Short term borrowings	2,836.80	-	-	2,836.80
Lease liabilities (current)	122.46	-	-	122.46
Trade Payables	3,933.14	-	-	3,933.14
Other financial liabilities	635.27	-	-	635.27
Total	**8,002.39**	**212.44**	**-**	**8,214.83**

CONTINGENT LIABILITIES

The following table sets forth certain information relating to our contingent liabilities:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Customs	-	12.05	12.05
Value added tax	105.90	105.90	357.86
Central sales tax	0.01	0.01	0.01
Income tax	941.33	20.31	99.06
Entry tax	-	-	233.53
Goods and service tax	23.16	-	-
Total	**1,070.40**	**138.27**	**702.51**

Notes:

i. *For the assessment year 2020-21, the Assistant Director of Income Tax, had raised a demand of ₹398.64 lakhs vide order dated August 6, 2021. On May 17, 2022, the Centralised Processing Center has reduced the demand to ₹21.42 lakhs. The Company is of the view that demand has been raised erroneously and had filed rectification with the Income Tax Department to contest the demand raised.*

ii. *One of the customer of the organisation has filed a commercial suit against the Company. In response to the same, the Company has filed a counter claim and the matter is subjudice before Commercial Court, Rohini, Delhi.*

OFF-BALANCE SHEET ARRANGEMENTS

Except as disclosed in our Restated Financial Statements or otherwise in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. For further details relating to our related party transactions, see "*Financial Statements – Restated Financial Statements – Note 36 – Information on Related Party Transactions as required by Ind AS-24 for the year ended March 31, 2022*" on page 245.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market Risk

Market Risk is the risk of potential adverse change in our Company's income and the value of the net worth arising from the movement in foreign exchange rates, interest rates or other market prices. Our Company recognises that the effective management of market risk is essential for the maintenance of stable earnings and preservation of shareholder value. The objective of market risk management to manage and control market risk within acceptable parameters, while optimising the overall returns.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to our Company. Our Company's exposure to the credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at cost. Our Company, continuously monitors defaults of customers and their counterparties and incorporates this information into credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits. Other financial assets measured at amortised cost excluding deposits of rent. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place to ensure the amounts are within the defined limits.

Liquidity Risk

Liquidity risk is the risk that our Company will face in meeting its obligation associated with its financial liabilities. Our Company's approach to managing liquidity is to ensure that it will have sufficient funds to meets its liabilities when due without incurring unacceptable losses.

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue or expense is denominated in a foreign currency).

OTHER QUALITATIVE FACTORS

Changes in Accounting Policies

Other than as required for the preparation of our Restated Financial Statements, there have been no changes in our accounting policies during Fiscals 2022, 2021 and 2020.

Unusual or Infrequent Events or Transactions

To our knowledge there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Significant Dependence on a single or few suppliers or customers

Other than as described in this Draft Red Herring Prospectus, particularly in "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29 and 254, respectively, there is no dependence on a single or few customers or suppliers.

Known Trends or Uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on pages 254 and 29, respectively. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from operations.

Total Turnover of Each Major Industry Segment

For the Financial Years 2022, 2021 and 2020, we have one primary business activity and operate in one industry segment, which is IT Enabled Services.

Significant Economic Changes that Materially Affected or are likely to Affect Income from Operations

Other than as described in this section and the sections of this Draft Red Herring Prospectus titled "*Risk Factors*" and "*Industry Overview*" on pages 29 and 109, respectively, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

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

Changes in revenue in the last three Fiscals are as described in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*" above on pages 272 and 274, respectively.

Future relationship between Cost and Income

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 163 and 254, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Status of any publicly announced new products or business segment, if applicable

Except as disclosed in "*Our Business*" on page 163, we have not announced and do not expect to announce in the near future any new products or business segments.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 163, 109 and 29, respectively, for further details on competitive conditions that we face in our business.

Seasonality of Business

There is no seasonality in our business.

SUMMARY OF RESERVATION, QUALIFICATIONS, ADVERSE REMARKS AND EMPHASIS OF MATTERS BY STATUTORY AUDITOR

Except as stated below our Statutory Auditor has not provided or highlighted any reservations/ qualifications/ adverse remarks/ emphasis of matters in their audit reports on the audited financial statements for the Fiscal 2022, 2021 and Fiscal 2020:

Period	Reservations/ Qualifications/ Adverse Remarks/ Emphasis of Matter	Particulars
Fiscal Year March 31, 2022	-	-

Period	Reservations/ Qualifications/ Adverse Remarks/ Emphasis of Matter	Particulars
Fiscal Year March 31, 2021	-	-
Fiscal Year March 31, 2020	-	-

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2022

Other than as disclosed above and elsewhere in this Draft Red Herring Prospectus, including under "*Our Business*", "*Risk Factors*", to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2022, on the basis of our Restated Financial Statement, and as adjusted for the proposed Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 254, 227 and 29, respectively.

(in ₹ lakhs, except ratios)

Particulars	Pre-Offer as at March 31, 2022	Adjusted for the post-Offer*
Borrowings		
Current Borrowings	2,836.80	[●]
Non-Current Borrowings (including current maturity and interest accrued and due on borrowings)	596.00	[●]
Total Borrowings	**3,432.80**	[●]
Total Equity		
Equity Share Capital	6,000.00	[●]
Other Equity	1,592.08	[●]
Total Capital	**7,592.08**	[●]
Non-current borrowings/ Total equity	**7.85%**	[●]

These above terms carry the meaning as per division II of Schedule III of the Companies Act, 2013 (as amended).
**Post-Issue Capitalisation will be determined after finalisation of Issue Price.*

FINANCIAL INDEBTEDNESS

Our Company avails loans and facilities in the ordinary course of its business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, see "*Our Management – Borrowing Powers*" on page 206.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including dilution of the current shareholding of the Promoter and members of the Promoter Group, expansion of business of the Company, effecting changes in the Company's management including Key Managerial Personnel, ownership capital structure, shareholding pattern, constitutional documents and Board's composition.

The details of the indebtedness of our Company as on June 30, 2022 is provided below:

(₹ in lakhs)

Nature of Borrowings	Amount sanctioned	Principal amount outstanding
Cash credit	2,500.00	346.15
Working capital demand loan (WCDL)	-*	200.00
Corporate card	22.00	0.85
Guaranteed emergency credit letter (GECL)	596.00	574.56
Fund Based (Sub Total) (A)	**3,118.00**	**1,121.56**
Letter of credit discounting (DRUL)	200.00	-
Letter credit/ bank guarantee/ buyer credit	5,000.00	3,801.32
Pre-settlement risk (PSR)	500.00	-
No business banking exposure	37.90	-
Non-Fund Based (Sub Total) (B)	**5,737.90**	**3,801.32**
Total (A+B)	**8,855.90**	**4,922.88**

**The amount sanctioned towards Working Capital Demand Loan was ₹200.00 lakhs which is a sub limit.*

Principle terms of the borrowings availed by us

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to indebtedness of our Company:

1. ***Interest:*** In terms of facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities. In terms of the borrowings availed by us, the interest rate is typically dependent on the guidelines of RBI and lenders and ranges from 7.00% per annum to 7.65% per annum either on a floating rate or linked to base rate, as specified by respective lenders.

2. ***Validity/Tenor:*** The tenor of the term loans availed by us are typically for a tenor of 365 days (payable on demand).

3. ***Security:*** Under our financing arrangements for secured borrowings, we are typically required to create security by way of, among others, hypothecation of stock and book debts and other movable, fixed assets and current assets of our Company both present and future, equitable mortgage on immovable assets of our Company, against which the relevant loan facility has been availed, deposits in the name of our Company, corporate guarantees and personal guarantees of some of our Promoter or Directors. Further, there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Default Interest***: The terms of certain financing facilities availed by our Company prescribe penalties for non-compliance of certain obligations by our Company. These include, *inter alia*, overdues/ delays/ default in payment of monies. Further, the default interest payable on the facilities availed by us typically is 18% per annum.

5. ***Prepayment/Foreclosure:*** The terms of facilities availed by us typically have prepayment/foreclosure provisions which allow for foreclosure of the outstanding loan amount on giving notice to the concerned lender, subject to such penalties as laid down in the facility agreements. The premium for the facilities availed by us, where specified, is typically 1.00% to 4.00% of the sanctioned amount or principal outstanding amount.

6. ***Re-payment:*** The working capital facilities are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans are typically repayable in structured monthly instalments.

7. ***Events of Default:*** Borrowing arrangements entered into by us contain standard events of default, including:

   a. Non-performance of any of the promises to pay set forth in the sanction letter;

   b. Non-payment of any of the other obligations or liabilities of the Company;

   c. Failure to furnish satisfactory additional security forthwith upon being required by the Lender;

   d. Failure in business of the Company;

   e. Dissolution of the entity comprising of the Company;

   f. Any petition in bankruptcy or for winding up filed against the Company under any law relating to the relief of debtor, commenced for the relief or readjustment or any of the Company's indebtedness either through reorganisation, composition, extension or otherwise;

   g. A receiver or liquidator of any of the Company for the benefit of creditors or taking advantage of any insolvency law;

   h. An assignment made by the Company for the benefit of creditor or taking advantage of any insolvency law;

   i. Any of the company's funds or other property which may be in, or come into, the Lender's possession or control, or that of any third party acting in the Lender's behalf as aforesaid, should be attached or detained or should be or become subject to any mandatory order of court or other legal process, any or all of the Company's aforesaid obligations and/or liabilities shall at the Lender's option become due and payable immediately.

8. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants which requires us to take prior written consent of the respective lender before undertaking certain activities, including:

   a. Any scheme of merger, amalgamation, restructuring, compromise or dissolution;
   b. permit or effect any direct or indirect change in the legal or beneficial ownership or control;
   c. Change/ cease/ retire from/ terminate/ resign from the present employment/ profession/business; or change, terminate or open any bank account;
   d. Change in our Company's Memorandum or Articles of Association;
   e. Sell, transfer, license, lease, permit, alienate, dispose of in any manner whatsoever, surrender or otherwise encumber any of its assets, rights, title or interest, receivables, or any part thereof or create, facilitate or permit to exist any charge, encumbrance or lien of any kind whatsoever over any of its property or grant any option r other right to purchase, lease or otherwise acquire, any such assets or part thereof;
   f. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations;
   g. effect any material change in the management of the business of the Company, without the prior written consent of the Lender;
   h. not to induct a person, into its Board of Directors, who is a promoter or director on the Board of a company which has been identified as a willful defaulter or a person who has been declared as a willful defaulter by any bank/financial institution;
   i. Declaration of dividend by our Company if one or more installment towards principal or interest remains unpaid on its due date and/or except out of profits relating to hat year after making all due and necessary provisions.

The details of events of default and restrictive covenants provided above are indicative and there may be additional terms that may amount to an event of default and/ or constitute a restrictive covenant under the various borrowing arrangements entered into by us.

For further details of financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, enforcement of security and suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows*" on page 40.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) tax proceedings - claims related to direct and indirect taxes liabilities (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) material civil litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**") in accordance with the SEBI ICDR Regulations, in each case involving our Company, Promoter or our Directors (collectively, the "**Relevant Parties**").*

There are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action. Further, there are no outstanding legal proceedings involving our Group Company, the outcome of which could have a material impact on the company.

In terms of the Materiality Policy, all pending/outstanding litigation involving the Relevant Parties which exceeds the amount which is 1% of the total income, as per the Restated Financial Statements for the Financial Year 2022 would be considered material for our Company. For the Financial Year 2022, our total income for the year as per the Restated Financial Statements is ₹ 48,557.73 lakhs. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable:

a) pending civil cases involving the Relevant Parties which involve an amount of or equal to more than the monetary amount of ₹485.58 lakhs (being 1% of the total income as per the Restated Financial Statements for the Financial Year 2022); or

b) other than the litigations covered in (a) above, pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹485.58 lakhs (being 1% of the total income as per the Restated Financial Statements for the Financial Year 2022; or

c) where the monetary liability is not quantifiable or doesn't meet the monetary threshold as provided in (a) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

Further, it is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial/arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 196.66 lakhs, which is 5% of the total outstanding dues (trade payables) as on the date of the latest Restated Financial Statements included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2022, any outstanding dues exceeding ₹196.66 lakhs have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATIONS INVOLVING OUR COMPANY

A. Outstanding criminal litigations involving our Company

Criminal litigation against our Company

A Criminal Complaint bearing Criminal Case No. 9272 of 2019 has been initiated by Mahesh Kumar Goyal, the proprietor of M/s. Sharda Computers **("Complainant")** against our Company **("Accused No. 1"),** Piyush Mittal **("Accused No.2")** and Rajendra Seksaria ("**Accused No. 3**", collectively with Accused No. 1 and Accused No. 2, **"Accused"**) under section 190 read with section 200 of the Code of Criminal Procedure, 1973 (**"CRPC"**). The Complainant claims to have business relations with our Company since 2017 and accordingly in regular course of business the Complainant had issued four undated cheques amounting to ₹24.53 lakhs in favour of our Company as security deposits towards certain goods supplied by our Company (**"Cheques"**). The Complainant has alleged that in the year 2019, our Company intentionally and deliberately stopped further supply of goods in-spite of various orders being placed by the Complainant, thereby causing loss to the Complainant. The Complainant accordingly filed a Commercial Civil Suit bearing no. 3592 of 2019 before the Additional District Judge, Rohini Court, Delhi against our Company towards recovery of damages for the loss caused to the Complainant. The Complainant has further alleged that in-spite of instructions given by the Complainant to Accused to not deposit the said cheques given by the Complainant as Security, the Accused have gone ahead and deposited the cheques and accordingly the said cheques were dishonoured. Further, the Accused No. 1 filed a false complaint against the Complainant under section 138 of the Negotiable Instruments Act, 1881 bearing no. 22136 of 2019 before Chief Metropolitan Magistrate at Kolkata. The Complainant has prayed for taking cognizance against the Accused under section 406, 417, 420, 384, 506, 34 and 120B of the Indian Penal Code, 1860. The matter is currently pending.

Criminal litigations initiated by our Company

There are 36 complaints initiated by our Company against different parties for alleged violation of Section 138 read with Sections 141 and 142 of the Negotiable Instruments Act, 1881 ("**NI Act**") for dishonour of cheques. These are complaints initiated in the ordinary course of its business, where cheques issued by various parties in favour of our Company were dishonoured due to insufficient funds in parties' accounts in terms of the NI Act. The aggregate consolidated amount involved in such cases is ₹207.28 lakhs and our Company has sought for appropriate reliefs under the NI Act. All such proceedings are currently pending.

B. Outstanding actions by Statutory Authorities or Regulatory Authorities against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Company.

C. Other outstanding litigation involving our Company

Civil litigations against our Company

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations against our Company.

Civil litigations initiated by our Company

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations initiated by our Company.

D. Outstanding tax proceedings involving our Company

Particulars	No. of Cases	Amount Involved (₹ in

		lakhs)
Direct Tax	3	962.75
Indirect Tax	8	129.05
Total	11	1,091.80

II. LITIGATIONS INVOLVING OUR PROMOTER

A. Outstanding criminal litigations involving our Promoter

Criminal litigations against our Promoter

Except as disclosed under "*Criminal Litigations against our Company"* on page 287, there are no outstanding criminal litigations against our Promoter.

Criminal litigations initiated by our Promoter

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigations initiated by our Promoter.

B. Other outstanding litigations involving our Promoter

Civil litigations against our Promoter

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation against our Promoter.

Civil litigations initiated by our Promoter

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation initiated by our Promoter.

C. Disciplinary Actions including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years including outstanding action

As on the date of this Draft Red Herring Prospectus, there are no outstanding disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years including outstanding action.

D. Outstanding actions by Statutory or Regulatory authorities against our Promoter

As on the date of this Draft Red Herring Prospectus, there are no outstanding action initiated by Statutory or Regularity authorities against our Promoter.

E. Outstanding tax proceedings against our Promoter

Particulars	No. of Cases	Amount Involved (₹ in lakhs)
Direct Tax	1	0.25
Indirect Tax	Not applicable.	Not applicable
Total	1	0.25

III. LITIGATIONS INVOLVING OUR DIRECTORS

A. Criminal litigations involving our Directors

Criminal litigations against our Directors

Except as disclosed under "*Criminal Litigations against our Company"* on page 287, there are no outstanding criminal litigations against our Director.

Criminal litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal litigation initiated by our Directors.

B. Other outstanding litigations involving our Directors.

Civil litigations against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation against our Directors.

Civil litigations initiated by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding civil litigation initiated by our Directors.

C. Outstanding actions by Statutory or Regulatory Authorities against any of our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding action initiated by Statutory or Regularity authorities against our Directors.

D. Outstanding tax proceedings involving our Directors

Except as mentioned under "- *Outstanding tax proceedings against our Promoter*", there are no outstanding tax proceedings against our Director.

Outstanding dues to creditors

Our Board, in its meeting held on June 3, 2022 has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total outstanding dues (trade payables) as on the date of the latest Restated Financial Statements was outstanding, were considered 'material' creditors.

As per the latest Restated Financial Statements, our total trade payables as on March 31, 2022, was ₹ 3,933.14

lakhs and accordingly, creditors to whom outstanding dues exceed ₹ 196.66 lakhs have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on March 31, 2022 by our Company are set out below:

Types of Creditors	**Number of Creditors**	**Amount involved* (in ₹ lakhs)**
Micro, small and medium enterprises	3	7.27
Material Creditors	6	3,516.48
Other Creditors	26	409.39
Total	**35**	**3,933.14**

**All the Figures of creditors have been rounded off to the nearest lakh (with two places of decimal)*

The details pertaining to net outstanding dues towards our material creditors as on March 31, 2022 (along with the names and amounts involved for each such material creditor) are available on the website of the Company at www.balajisolutions.in. It is clarified that such details available on our website do not form a part of the Draft Red Herring Prospectus.

Material Developments

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2022*" on page 281, no circumstances have arisen since March 31, 2022, the date of the last Restated Financial Statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary material consents, licenses, permissions, registrations and approvals from the various governmental agencies and other statutory and/ or regulatory authorities required for carrying out their present business activities. Set out below is a list of consents, licences, permissions, registrations and approvals from various government and regulatory authorities obtained by our Company which are material and necessary for undertaking our business activities and operations. Additionally, unless otherwise stated, these material consents, licenses, permissions, registrations and approvals are valid as on the date of this Draft Red Herring Prospectus. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 186.

I. Approvals in relation to incorporation of our Company

For details in relation to the incorporation of our Company, see "*History and Certain Corporate Matters*", beginning on page 193.

II. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*", beginning on page 293.

III. Tax related approvals in relation to our Company

1. Permanent account number AABCB7810R issued by the Income Tax Department, Government of India.

2. Tax deduction account number CALB04929B issued by the Income Tax Department, Government of India.

3. Profession tax registrations under the professional tax legislations of relevant states.

4. GST registrations issued by the Government of India under the central and state goods and service tax legislations in various states, where our business operations are situated.

IV. Labour and employment related approvals

1. Our Company has been allotted establishment code number WB/CA/40840 under the Employees' Provident Funds & Miscellaneous and Provisions Act, 1952, by the Employees' Provident Fund Organisation.

2. Our Company has been allotted the ESIC code no. 41000289410001002 under the Employees' State Insurance Act, 1948.

3. Our Company has obtained registration certificate issued under the shops and establishments act of relevant state, as applicable.

V. Material approvals in relation to our Company

1. License to work a factory bearing no. 22280 issued by the Joint Chief Inspector of Factories, West Bengal, under the Factories Act, 1948 and the rules made thereunder.

2. Registration certificate bearing no. 049-HW/X/2020/22280/31 issued by the Joint Chief Inspector of Factories, West Bengal under the Factories Act, 1948 and the rules made thereunder.

3. Importer-Exporter Code (IEC) number 0206021674 issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

4. Extended Producer Responsibility Authorisation for Producer of the Electrical and Electronic Equipment bearing number B-29016(156A)/(EPR)/17/WM-III Division issued by Additional Director & Divisional Head, WM-III Division, Central Pollution Control Board under the E-Waste (Management) Rules, 2016.

5. Authorised Economic Operator-T1 Certificate (Importer & Exporter) bearing number INAABCB7810R1F220 issued by AEO Programme Manager/ Pr. Commissioner, Directorate of International Customs.

6. Licenses issued by the Bureau of Indian Standards, Ministry of Consumer Affairs under the Bureau of Indian Standards Act, 2016, for certification of marks in relation to power banks for use in portable applications, power adaptors for IT equipments, wireless headphone, wireless earphone and smart watches.

7. Certificate of registration issued by the Deputy Director, Legal Metrology under the Legal Metrology (Packaged Commodities) Rules, 2011

VI. Intellectual property related approvals

As on the date of this Draft Red Herring Prospectus, our Company has 2 trademarks registered under class 9 with the Registrar of Trade Marks under the Trade Marks Act, 1999. This includes our logo foxin appearing on the cover page of this Draft Red Herring Prospectus being registered with the Registrar of Trade Marks under class 9. Further, our Company has filed 7 applications for registration of trademarks under the Trade Marks Act, 1999, which are currently pending at various stages.

VII. Material approvals or renewals applied for but not received

Sr. No.	Description	Authority	Date of application
1.	Application for issuance of revised fire safety recommendation for the 5th and 6th floor of the Registered and Corporate Office of our Company.	Government of West Bengal, Office of the Director General, West Bengal Fire & Emergency Services	June 28, 2022

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Offer

Our Board has authorised the Offer, pursuant to a resolution dated June 3, 2022. Our Shareholders have approved the Fresh Issue pursuant to a resolution dated June 30, 2022 in terms of Section 62(1)(c) of the Companies Act, 2013. The IPO Committee has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 26, 2022. This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution dated August 11, 2022 and the IPO Committee pursuant to its resolution dated August 12, 2022.

The Selling Shareholders has authorised and confirmed inclusion of his portion of the Offered Shares as part of the Offer for Sale, as set out below:

Sr. No.	Name of the Selling Shareholders	Date of Consent Letter	Aggregate amount of Offer for Sale (up to) (in ₹ lakhs)	Maximum number of Equity Shares offered for sale
1.	Rajendra Seksaria	July 16, 2022	[●]	15,00,000
2.	Rajendra Seksaria HUF	July 16, 2022	[●]	60,00,000

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other authorities

Our Company, the Selling Shareholders, Promoter, member of Promoter Group, Directors and person on control of the promoter are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company, Promoter or Directors have neither been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or a fraudulent borrower issued by the RBI.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Our Promoter and our Directors have not been declared as Fugitive Economic Offenders under section 12 of Fugitive Economic Offenders Act, 2018.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Director, Promoter, members of the Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to our Company and the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are associated with the securities market related business, in any manner and there are no outstanding actions initiated by SEBI in the last five years preceding the date of this Draft Red Herring Prospectus against our Directors.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

a) Our Company has net tangible assets of at least ₹300.00 lakhs, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

b) Our Company has an average operating profit of at least ₹1,500 lakhs, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

c) Our Company has a net worth of at least ₹100 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated basis and consolidated basis; and

d) there has been no change of name of our Company at any time during the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus, other than conversion from a private limited company to a public limited company.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Statements:

(*in ₹ lakhs, except as indicated*)

Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net tangible assets, as restated [(1)]	2,965.22	2,605.09	2,403.38
Monetary assets, as restated [(2)]	678.74	846.24	869.65
Monetary assets as a percentage of net tangible assets (%), as restated	22.89	32.48	36.18
Operating profit, as restated [(3)]	2,069.92	2,112.93	846.89
Net worth, as restated [(4)]	7,592.08	6,386.14	4,761.18

Notes:

(1) 'Net tangible assets' means the sum of all property, plant and equipment, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38 and deferred tax assets as defined in Ind AS 12 and excluding the impact of deferred tax liabilities as defined in Ind AS 12 issued by Institute of Chartered Accountants of India.
(2) 'Monetary assets' is the aggregate of cash on hand and balance with banks (including other bank balances and interest accrued thereon)
(3) 'Operating Profit' has been calculated as profit before finance costs, other income, and exceptional item and tax expenses
(4) 'Net worth' means aggregate value of the paid-up share capital and other equity created out of the profits, 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, derived from Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Our Company has operating profits in each of Fiscal 2022, 2021 and 2020 in terms of our Restated Financial Statements. Our average operating profit for Fiscals 2022, 2021 and 2020 is ₹ 1,675.32 lakhs.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoter, members of the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI.

(ii) The companies with which our Promoter or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoter, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no convertible securities that are required to be converted on or before the filing this Draft Red Herring Prospectus;

(vi) Our Company has entered into tripartite agreements dated April 20, 2018 with NSDL and Registrar to the Offer and May 20, 2022 with CDSL and Registrar to the Offer, for dematerialization of the Equity Shares.

(vii) The Equity Shares of our Company held by the Promoter are in the dematerialised form;

(viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts forthwith; and

(ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable

Each of the Selling Shareholder, jointly and severally, has confirmed that he has held his portion of offered shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for sale.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING IDBI CAPITAL MARKETS & SECURITIES LIMITED AND AFFINITY GLOBAL CAPITAL MARKET PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY HIM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR HIS PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 12, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to the Offer will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All applicable legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, the Selling Shareholders, our Directors, the BRLMs accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website https://www.balajisolutions.in/ or any website of any of the members of our Promoter Group, Group Company or any affiliate of our Company, if any, would be doing so at his or her or their own risk.

Unless required by law, the Selling Shareholders, and where applicable and their respective directors, affiliates, associates and officers accept no responsibility for any statements and undertakings, except such statements and undertakings made or confirmed by them in this Draft Red Herring Prospectus specifically in relation to itself, and their respective Offered Shares, are true and correct.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs 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 who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, BRLMs 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, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, directors and officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, directors and officers, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at West Bengal, India only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India except the United States of America. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date. Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. The [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law. The Selling Shareholders shall to the extent of his portion of the Offered Shares, be responsible to pay, or reimburse, as the case may be, in the proportion that the size of his portion of Offered Shares in the Offer for Sale bears to the total size of the Offer, any interest for such delays in making refunds only in the event any delay in making such refund is caused solely by, and is directly attributable to an act or omission of the Selling Shareholders and in such cases where any delay is not attributable to Selling Shareholders, the Company shall solely be responsible to pay such interest in the manner agreed under the Offer Agreement.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that he shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law. For the avoidance of doubt, subject to applicable law, no Selling Shareholders shall be responsible to pay interest for any such delay, except to the extent such delay is caused solely by, and is directly attributable to, an act or omission of Selling Shareholders and in all other cases where the delay is not caused by and is not directly attributable to Selling Shareholders, the Company shall solely be responsible to pay such interest.

Consents

Consents in writing of (a) the Selling Shareholders, our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, the BRLMs, legal counsel, bankers/ lenders to our Company, the Registrar to the Offer, Jayanta Dutta, Chartered Engineer, Fitch Solutions India Advisory Private Limited in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, the Banker(s) to the Offer and the Monitoring Agency to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Draft Red Herring Prospectus have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus with SEBI.

Expert to the Offer

Except as stated herein, our Company has not obtained any expert opinions.

Our Company has received written consent dated August 12, 2022, from M/s P. Mukherjee & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (i) examination report, dated July 27, 2022 on our Restated Financial Statements; and (ii) their report dated August 12, 2022, on the Statement on Special Tax Benefits available to the Company and its equity shareholders under the direct and indirect tax laws, in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 5, 2022 from Jayanta Dutta, Independent Chartered Engineer to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Independent Chartered Engineer, in respect of the reports and certificates dated August 5, 2022 on the manufacturing capacity at the Company's Manufacturing Facility and its utilization at the Manufacturing Facility including other details and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" and the consent thereof shall not be construed to mean an "expert" or consent within the meaning as defined under the U.S. Securities Act.

Public or rights issues by our Company during the last five years and performance vis-à-vis objects – our Company

Our Company has not made any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission and brokerage paid on previous issues

Since this is an initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Capital issue by our Company, listed group companies, subsidiaries and associates during the previous

three years

Our Company does not have any listed group companies, listed associates and listed subsidiaries. For details in relation to the capital issuances by our Company in the three years preceding the date of filing the Draft Red Herring Prospectus, see "*Capital Structure – Notes to Capital Structure*" beginning on page 75.

Performance vis-à-vis objects - Public/ rights issue of our Company

Except as disclosed in the section entitled "*Capital Structure*" on page 74, our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Draft Red Herring Prospectus

Performance vis-à-vis objects – Last issue of the listed subsidiaries and listed promoter

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries or any corporate promoters.

Price information of past issues handled by the BRLMs (during the current financial year and the two financial years preceding the current financial year)

- **IDBI CAPITAL MARKETS & SECURITIES LIMITED**

1. Price information of past issues handled by IDBI Capital Markets & Securities Limited:

Sr. No.	Issue Name	Issue Size (₹ lakhs)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Rolex Rings Limited^	73,100.00	900.00	August 9, 2021	1,250.00	+22.28% (+6.79%)	+31.50% (+10.20%)	+45.24% (+7.74%)
2.	RailTel Corporation of India Limited^^	81,924.20	94.00	February 26, 2021	104.60	+35.69% (-0.19%)	+37.55% (+3.91%)	+31.01% (+13.97%)
3.	Route Mobile Limited^^	60,000.00	350.00	September 21, 2020	708.00	+105.99% (+6.60%)	+231.26% (+23.47%)	+347.44% (+31.09%)

^NSE as designated Stock Exchange
^^BSE as designated Stock Exchange

Notes:

a. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company*

b. *Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.*

c. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company*

   i.

2. Summary statement of price information of past public issues handled by IDBI Capital Markets & Securities Limited:

Financial Year	Total no. of	Total funds raised	Nos. of IPOs trading at discount as on 30th calendar	Nos. of IPOs trading at premium as on 30th calendar	Nos. of IPOs trading at discount as on 180th calendar	Nos. of IPOs trading at premium as on 180th

	IPOs	(₹ lakhs)	day from listing date			day from listing date			day from listing date			calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021 – 2022*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020 – 2021	1	73,100.00	-	-	-	-	-	1	-	-	-	-	1	-
2019 – 2020	2	1,41,924.20	-	-	-	1	1	-	-	-	-	1	1	-

** The information is as on the date of this Draft Red Herring Prospectus.*
The information for each of the financial years is based on issues listed during such financial year.

- **AFFINITY GLOBAL CAPITAL MARKET PRIVATE LIMITED**

1. Price information of past issues handled by Affinity Global Capital Market Private Limited:

Sr. No.	Issue Name	Issue Size (₹ lakhs)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	-	-	-	-	-	-	-	-

2. Summary statement of price information of past public issues handled by Affinity Global Capital Market Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ lakhs)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022 – 2023*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021 – 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020 – 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** The information is as on the date of this Draft Red Herring Prospectus.*
The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	IDBI Capital Markets & Securities Limited	www.idbicapital.com
2.	Affinity Global Capital Market Private Limited	www.affinityglobalcap.in

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period not less than eight years after completion of the Offer enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances other than of Anchor Investors in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

For offer related grievance investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 65.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and subject to any applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/ withdrawn/ deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay.

Disposal of Investor Grievances by our Company

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014, in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of security holders of our Company. For details, see "*Our Management*" on page 200.

Our Company has appointed Sanjay Bajaj as our Company Secretary and Compliance Officer for the Company, who may be contacted in case of any pre-Offer or post-Offer related grievances. His contact details are as follows:

Company Secretary and Compliance Officer
Anmol South City Infra Park, plot no. B
Mouza Jagdishpur, JL No.2, dist. Howrah,
P.S. Liluah Howrah 711 115, West Bengal, India
E-mail: investor@balajisolutions.in
Tel.: + 91 336 111 1818

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

As on the date of this Draft Red Herring Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, AoA, the SEBI Listing Regulations, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer*" on page 95.

Ranking of the Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please see the section titled "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 226 and 338, respectively.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company in accordance with the provisions of the Companies Act, the SEBI LODR Regulations, our Memorandum and Articles of Association, the SEBI Listing Regulations and other applicable laws including guidelines or directions which may be issued by the Government in this regard. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. All dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 226 and 338, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 each and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, and [●] editions of [●] a Hindi national daily newspaper, and the [●] edition of Bengali daily newspaper [●] (Bengali being the regional language of West Bengal wherein our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and other applicable law; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 338.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated April 20, 2018, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated May 20, 2022, amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" beginning on page 317.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Period of operation of subscription list

Please see "*Terms of the Offer – Bid/ Offer Programme*" on page 308.

Jurisdiction

The courts of Kolkata, West Bengal, India will have exclusive jurisdiction in relation to this Offer.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by the Shareholder by nominating any other person in place of the present nominee, by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/ Offer Programme

BID/ OFFER OPENS ON*	**[●]**
BID/ OFFER CLOSES ON**	**[●]** (1)

**Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

***Our Company and the Selling Shareholders in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(1)*UPI mandate end time and date shall be at [●] on [●].*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about [●]
Credit of the Equity Shares to depository accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per* *day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue BRLM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable*

The processing fees for applications made by Retail Individual Bidders or Individual investors bidding under the Non-Institutional Portion for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000, using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time (“**IST**”))
Bid/ Offer Closing Date*	
Submission and Revision in Bids	Only between 10:00 am and 3:00 pm IST

**UPI mandate end time and date shall be at [●] on [●].*

On the Bid/ Offer Closing Date:

(i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.(IST) and uploaded by 4.00 p.m. IST; and

(ii) In case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Offer Period in accordance with SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding ten Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and Sponsor Banks, as applicable. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Selling Shareholders shall reimburse, in proportion to the respective portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of it for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment and/ or reimbursement of such expenses towards refund or interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to the Selling Shareholders and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholders shall be limited to the extent of its respective portion of the Offered Shares.

In the event of achieving aforesaid minimum subscription, however, there is under subscription in achieving the total Offer size, the Equity Shares will be Allotted in the following order:

i. such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;
ii. (ii) upon (i), such number of Offered Shares offered by the Selling Shareholders, will be Allotted, in the same pro rata proportion as the Equity Shares offered by Selling Shareholders in the Offer for Sale; and
iii. once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 74 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 338.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be.

If our Company and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

Offer of up to [●] Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ [●] lakhs comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 12,000.00 lakhs and an Offer for Sale of up to 75,00,000 Equity Shares aggregating up to ₹[●] lakhs by the Selling Shareholders.

Our Company in consultation with the BRLMs, may consider a Pre-IPO Placement aggregating up to ₹2,400.00 lakhs, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, it will be at a price to be decided by our Company in consultation with the BRLMs, and the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.

The Offer includes an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ [●] lakhs, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

**A discount of ₹[●] per Equity Share may be offered to Eligible Employees bidding in the Employee Reservation Portion in accordance with the SEBI ICDR Regulations and details of which will be announced at least two Working Days prior to the Bid / Offer Opening Date.*

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employee#
Number of Equity Shares available for Allotment/ allocation(2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Net Offer shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Net Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation for Non-Institutional Bidders. One-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employee[#]
		allocated to applicants in the other sub-category of Non-Institutional Bidders.		
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate, however, the allotment of specified securities to each Non-Institutional Bidders shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 317	Proportionate, unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be Allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)
Mode of Bidding	Through ASBA process only except for Anchor Investors (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for an application size up to ₹ 5,00,000)	Through ASBA process only (including the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism)
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares so that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares	[●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed	Such number of Equity Shares in multiples of [●] Equity Shares not exceed the size of the	Such number of Equity Shares in multiples of [●] Equity Shares so	Such number of Equity Shares, so that the maximum Bid Amount by

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders	Eligible Employee[#]
	the size of the Net Offer, subject to applicable limits	Offer (excluding the QIB Category), subject to applicable limits	that the Bid Amount does not exceed ₹200,000	each Eligible Employee in Eligible Employee Portion does not exceed ₹ 5,00,000 (net of employee discount, if any)
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and thereafter in multiples of one Equity Share			
Trading Lot	One Equity Share			
Who can apply[(3) (4)]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development, financial institutions, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹2,500 lakhs, pension fund with minimum corpus of ₹2,500 lakhs in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Eligible Employees
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for UPI Bidders using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form			

* *Assuming full subscription in the Offer*

(1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 312.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and not less than 35% of the Offer shall be available for allocation to RIB in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories (being QIB/NII/Retail) at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

(3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Furthermore, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such undersubscription shall be permitted from the Employee Reservation Portion.

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less

Employee Discount, if any, at the time of making a Bid.

The Bids by FPIs with certain structures as described under the section "*Offer Procedure*" on page 317 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Under-subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to the Net Offer constituting [●]% of the post-Offer equity share capital of the Company.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) disposal of application (x) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xi) mode of making refunds; (xii) Designated Date; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, have introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness *and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.*

Further, our Company, Selling Shareholders and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category including the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

Furthermore, up to [●] Equity Shares, aggregating up to ₹[●] lakhs shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form .Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of Employee Discount) subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account. RIBs may also submit their ASBA Forms with the SCSBs (except UPI Bidders using the UPI Mechanism). ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

**Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of our Company.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Draft Red Herring Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoter and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoter/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoter and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoter and members of the Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts, (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 337. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar of the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of 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.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of

₹2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bid was must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000 lakhs. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 1,000 lakhs.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and was completed on the same day.

(e) Our Company, in consultation with the BRLMs, may finalise allocation to the Anchor

Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 lakhs;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 lakhs but up to ₹ 25,000 lakhs, subject to a minimum Allotment of ₹ 500 lakhs per Anchor Investor; and
- in case of allocation above ₹ 25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹ 25,000 lakhs, subject to minimum Allotment of ₹ 500 lakhs per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither (i) the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) nor (ii) any "person related to the Promoter/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of Employee Discount, if any). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹500,000 (net of Employee Discount, if any). Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 312.

However, Allotments to Eligible Employees in excess of ₹200,000 (net of Employee Discount) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000(net of Employee Discount). Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour form).
- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- The Bidder should be an Eligible Employee as defined herein. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price, if any would be considered for allocation under this portion.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- Eligible Employees shall not Bid through the UPI mechanism. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the, Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only.
2. Ensure that you have Bid within the Price Band.
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form.
4. Ensure that you (other than the Anchor Investor) have mentioned the correct ASBA Account number if you are not an UPI Bidders using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidders using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form.
5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time.
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries.
8. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form.
9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.
10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary.
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms.
12. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party.
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
16. Ensure that the Demographic Details are updated, true and correct in all respects.
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form.
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted.
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws.
21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database.
22. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account.
23. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in).
24. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs.
25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.
26. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.
27. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form.
28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).
29. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
    Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
20. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
26. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
28. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
29. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);
30. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
31. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account

of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

32. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by UPI Bidders with Bid Amount of a value of more than ₹200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification

issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 71.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "*General Information –Book Running Lead Managers*" on page 72.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders and the Non-Institutional Investors shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the Non-Institutional Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations. Provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. Further, the allocation to each Non Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) Bengali edition of [●], a West Bengal daily newspaper, Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) Bengali edition of [●], a West Bengal daily newspaper, Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located, each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or

such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;
- If our Company and Selling Shareholders, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- Except for the Equity Shares to be allotted pursuant to the Offer and the Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

Undertakings by the Selling Shareholders

Each Selling Shareholders undertakes, severally and not jointly, in respect of themselves as a 'selling shareholder' and their portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the minimum Bid lot, Offer Price, will be taken by our Company in consultation with the BRLMs and Price Band will be decided by our Company and Selling Shareholders in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:
"*Any person who—*
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name
shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10 lakhs 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.

RESTRICTION ON FOREING OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy (defined herein below) and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**Consolidated FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For details, see "*Offer Procedure*" on page 317.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future 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 of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 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 or fund in India.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 322 and 323.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION
OF
BALAJI SOLUTIONS LIMITED
Formally known as
BALAJI SOLUTIONS PRIVATE LIMITED

1. **CONSTITUTION OF THE COMPANY**

(a) The Regulations contained in the Table F in Schedule I to the Companies Act, 2013, shall not be applicable to the Company except so far as the said Act or any modification thereof otherwise expressly provides.

(b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. **Interpretation:** In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or content thereof.

(a) "Act" or "the said Act"

"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(b) "Annual General Meeting"

"Annual General Meeting" shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

(c) "Articles"

"Articles" means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

(d) "Beneficial Owner"

"Beneficial Owner" shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(e) "Board" or the "Board of Directors"

"The Board," or the "Board of Directors" shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

(f) “Board Meeting”

“Board Meeting” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

(g) “Business Day”

“Business Day” shall mean a day on which scheduled commercial banks are open for normal banking business;

(h) “Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

(i) “Company” or “this Company”

“The Company” or “this Company” means BALAJI SOLUTIONS LIMITED.

(j) “Chairman”

“Chairman” shall mean such person as is nominated or appointed in accordance with the Articles.

(k) “Dividend”

“Dividend” shall include Interim Dividend.

(l) “Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

(m) “Depositories Act”

“Depositories Act” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

(n) “Director”

“Director” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

(o) “Extraordinary General Meeting”

“Extraordinary General Meeting” shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

(p) “Gender”

Words importing the masculine gender also include the feminine gender.

(q) “In Writing and Written”

“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) “Managing Director”

“Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

(s) “Memorandum”

“Memorandum” shall mean the memorandum of association of the Company, as amended from time to time.

(t) “Month”

“Month” means the calendar month.

(u) “Office”

“Office” means the Registered Office for the time being of the Company.

(v) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

(w) “Persons”

“Person” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

(x) “Register of Members”

“Register of Members” shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act.

(y) “Registrar”

“Registrar” shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

(z) “Seal”

“Seal” means the Common Seal for the time being of the Company.

(aa) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or "SEBI" means the Securities & Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.

(bb) “SEBI Listing Regulations”

“SEBI Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

(cc) “Shares”

“Shares” or “shares” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

(dd) “Shareholder” or “shareholder” or “member”

“Shareholder” or “shareholder” or “member” shall mean any shareholder of the Company, from time to time.

(ee) “Shareholder Meeting"

“Shareholders’ Meeting” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

(ff) “Stock Exchanges”

“Stock Exchanges” shall mean BSE Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

(gg) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

Expression in the Act to bear same meaning in the Articles	Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles
Marginal Notes	Expression in the Act to bear same meaning in the Articles

COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY

3. Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:

   i. The Memorandum;

   ii. The Articles, if any;

   iii. Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

CAPITAL AND SHARES

4. The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the Company to alter the same in any way it thinks fit.

5. The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and in accordance with the Articles.

6. The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

7. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.

8. The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares

allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

9. The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

10. Subject to the provisions of Section 62 of the Act and these Articles, the share capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

FURTHER ISSUE OF SHARES

11. (1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered -

(a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: -
(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;
(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the shareholders and the company;

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by Central Government; or

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.

(2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

(3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

12. (i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

13. Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

14. On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.

(a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
(b) No such shares shall be redeemed unless they are fully paid;
(c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

15. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

16. (1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

(a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by Central Government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;

(b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by Central Government.

REDUCTION OF CAPITAL

17. The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

18. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

(a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

SALE OF FRACTIONAL SHARES

19. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

MODIFICATION OF RIGHTS

20. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

21. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

22. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE

23. (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

DEMATERIALIZATION OF SECURITIES

(b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

INTIMATION TO DEPOSITORY

(c) "Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities".

OPTION TO OPT OUT IN RESPECT OF ANY SUCH SECURITY

(d) Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER

(e) "The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996."

SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

(f) All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

(g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

DEPOSITORY TO FURNISH INFORMATION

(h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

REGISTER AND INDEX OF MEMBERS

24. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and

dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

25. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

26. Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

27. (1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.

(2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company -

(a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;

(b) in writing off the preliminary expenses of the company;

(c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;

(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or

(e) for the purchase of its own shares or other securities under section 68.

ACCEPTANCE OF SHARES

28. Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIABILITY OF MEMBERS

29. Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

30. The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

31. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

32. (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

(ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

JOINT ALLOTTEES OF HOLDERS

33. Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

34. (i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

(ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to Articles.

WHO MAY HOLD SHARES

35. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind.

36. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

SWEAT EQUITY

37. Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

38. (1) In pursuance of Section 89 of the Act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.

(2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)

(3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)

(4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.

(5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by Central Government, within the time specified under section 403.

(6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

(7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

39. No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

40. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

SECTION 45 OF ACT NOT TO APPLY

41. Notwithstanding anything to the contrary contained in the Articles,

(i) Section 45 of the Act shall not apply to the Shares held with a Depository;

TRUST RECOGNIZED

42. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company

shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

REGISTRATION OF CHARGES

43. The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

UNDERWRITING AND BROKERAGE
COMMISSION MAY BE PAID

44. The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other subject to maximum of 5% of the share price or 2.5% in case of debenture, of the issued share or debenture price, as the case may be.

BROKERAGE MAY BE PAID

45. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

CALLS ON SHARES

DIRECTORS MAY MAKE CALLS

46. The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect

of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

47. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

48. One month notice at least of every call payable otherwise then on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

CALLS TO DATE FROM RESOLUTION

49. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

50. The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

51. If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

52. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the

date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

53. The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN
IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

54. If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

FORM OF NOTICE

55. The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

56. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus

declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

NOTICE OF FORFEITURE

57. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

58. Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

POWER TO ANNUL FORFEITURE

59. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

60. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFETURE

61. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

PROCEEDS HOW TO BE APPLIED

62. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

DECLARATION OF FORFEITURE

63. (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly

forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

64. The declaration as mentioned in Article 62 shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

65. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

66. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

67. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any

sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

68. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

69. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article. No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ENFORCING LIEN BY SALE

70. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

APPLICATION OF PROCEEDS OF SALE

71. The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

72. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in

respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

73. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

74. For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES

REGISTER OF TRANSFER

75. The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

EXECUTION OF TRANSFER

76. Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

77. Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

FORM OF TRANSFER

78. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC

79. No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

80. (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(iii)For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

81. Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

NO FEE ON TRANSFER OR TRANSMISSION

82. No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

83. Every instruments of transfer duly executed and stamped shall be left at the office for

registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

WHEN TRANSFER TO BE RETAINED

84. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

85. In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED HOLDER

86. Subject to Article, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

87. A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

88. The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within 90 (ninety) days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

TRANSMISSION OF SHARE

89. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share

in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

BOARD MAY REFUSE TO TRANSMIT

90. The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

91. Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

TRANSFER BY LEGAL REPRESENTATION

92. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

CERTIFICATE OF TRANSFER

93. The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

THE COMPANY NOT BE LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

94. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the

said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

NOMINATION

95. (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by Central Government under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by Central Government under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be , all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by Central Government under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

"Option of Nominee"

96. (i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

TRUST NOT RECOGNISED

97. Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

TRANSFER OF SECURITIES

98. Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

NOTICE OF APPLICATION WHEN TO BE GIVEN

99. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

REFUSAL TO REGISTER NOMINEE

100. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

101. A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

102. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

JOINT HOLDERS

103. If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

104. (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

(b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

EFFECTUAL RECEIPTS

(c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

(d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in the Articles and documents served on or sent to such person shall be deemed service on all the joint holders).

VOTES OF JOINT HOLDERS

(e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

CONVERSION OF SHARES INTO STOCK
SHARES MAY BE CONVERTED INTO STOCK

105. The Board may, pursuant to Section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of

stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

RIGHTS OF STOCK-HOLDERS

106. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

107. (a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.

(b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

108. The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

109. All meetings of the shareholders other than the Annual General Meeting shall be called Extra-Ordinary General Meetings.

CALLING OF EXTRA-ORDINARY GENERAL MEETING

110. (1) The Board may, whenever it deems fit, call an extraordinary general meeting of the

company.

(2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).

(3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.

(4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.

(5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.

(6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

(7) Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

LENGTH OF NOTICE FOR CALLING MEETING

111. (1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by Central Government:

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

(2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.

(3) The notice of every meeting of the company shall be given to –
(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
(b) the auditor or auditors of the company; and
(c) every director of the company.

(4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS

112. (1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -

(a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
(i) every director and the manager, if any;
(ii) every other key managerial personnel; and
(iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
(b) any other information and facts that may enable members to understand the meaning, scope and

implications of the items of business and to take decision thereon.

(2) For the purposes of clause (1),—
(a) in the case of an annual general meeting, all business to be transacted there at shall be deemed special, other than—
(i) the consideration of financial statements and the reports of the Board of Directors and auditors;
(ii) the declaration of any dividend;
(iii) the appointment of directors in place of those retiring;
(iv) the appointment of, and the fixing of the remuneration of, the auditors; And
(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

(3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause (1).

113. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

QUORUM

114. (1) The quorum for a General Meeting of the Company shall be as under:

(i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or
(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or
(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –
(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

RESOLUTION PASSED AT ADJOURNED MEETING

115. Where a resolution is passed at an adjourned meeting of –

(a) a company; or
(b) the holders of any class of shares in a company; or
(c) the Board of Directors of a company,
the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

REGISTRATION OF RESOLUTIONS AND AGREEMENTS

116. The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

POWER OF ADJOURN GENERAL MEETING

117. (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

CHAIRMAN OF GENERAL MEETING

118. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT

119. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

RESOLUTION MUST BE PROPOSED AND SECONDED

120. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

PASSING RESOLUTIONS BY POSTAL BALLOT

121. (1) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal

ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(2) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

DECLARATION OF CHAIRMAN TO BE CONCLUSIVE

122. A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution.

CIRCULATION OF MEMBERS' RESOLUTION

123. (1) A company shall, on requisition in writing of such number of members, as required in section 100,—

(a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
(b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.

(2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –
(a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company, —
(i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
(ii) in the case of any other requisition, not less than two weeks before the meeting; and
(b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:
Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

(3) The company shall not be bound to circulate any statement as required by clause(b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.

(4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

VOTES OF MEMBERS

VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

124. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

VOTES OF MEMBERS

125. (1) Subject to the provisions of section 43 and sub-section (2) of section 50, -

a. every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and

b. his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.

(2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for their payment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares.

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

126. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

REPRESENTATION OF BODY CORPORATE

127. Pursuant to section 113, a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

128. The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

129. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

130. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 127.

HOW MEMBER NON-COMPOSMENTIS MAY VOTE

131. If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

INSTRUMENT OF PROXY

132. The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

133. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

134. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

FORM OF PROXY

135. Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)of the Companies (Management and Administration) Rules, 2014.

TIME FOR OBJECTION TO VOTE

136. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever**.**

CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANYVOTE

137. The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF

138. A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable.

DIRECTORS

139. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

140. Subject to Articles, Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

CASUAL VACANCY AND ADDITIONAL DIRECTORS

141. Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Articles. Any Person so

appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

ALTERNATE DIRECTORS

142. The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act.

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

NOMINEE DIRECTOR / DEBENTURE DIRECTOR

143. 1) The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

2) If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly.

Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

144. A Director need not hold any qualification shares of the Company.

REMUNERATION OF DIRECTORS

145. (1) Subject to the applicable provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to limits prescribed by the Act.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or
(ii) by way of commission if the Company by a special resolution authorizes such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.

(4) If any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

(5) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

146. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS

147. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

148. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the

Company but for no other purpose.

DISCLOSURE OF INTEREST OF DIRECTORS

149. (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—
(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

(4) Nothing in this Article-
(a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
(b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company.

INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS

150. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED

151. (1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made thereunder–

(i) for the sale, purchase or supply of any goods, materials or services; or

(ii) selling or otherwise disposing of, or buying, property of any kind;
(iii) leasing of property of any kind;
(iv) availing or rendering of any services;
(v) appointment of any agent for purchase or sale of goods, materials, services or property;
(vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
(vii) underwriting the subscription of any securities or derivatives thereof, of the Company:

(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

SPECIAL DIRECTOR

152. In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.

DIRECTORS' SITTING FEES

153. The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by the Central Government for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him. The directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

154. Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189and 196 of the Act shall be duly observed and complied with.

DISQUALIFICATION OF THE DIRECTOR

155. (1) A person shall not be eligible for appointment as a director of a company, if -

(a) he is of unsound mind and stands so declared by a competent court;
(b) he is an undischarged insolvent;
(c) he has applied to be adjudicated as an insolvent and his application is pending;
(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
(e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;
(f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
(h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which -
(a) has not filed financial statements or annual returns for any continuous period of three financial years; or
(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

DIRECTORS VACATING OFFICE

156. The office of a Director shall be vacated if :

(i) he is found to be of unsound mind by a Court of competent jurisdiction;

(ii) he applied to be adjudicated an insolvent;

(iii) he is adjudicated an insolvent;

(iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

(v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;

(vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

(vii) he is removed in pursuance of Section 169 of Act;

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;

(ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY

157. Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197or Section 188 of the Act may be applicable.

RETIREMENT AND ROTATION OF DIRECTORS

158. (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -

(i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
(ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
(b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
(c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
(d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
(e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

(2) (a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same

time and place.
(b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless–
1. at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;
2. the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed;
3. he is not qualified or is disqualified for appointment;
4. a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
5. section 162 is applicable to the case.

APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY

159. (1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.

(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.

(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

160. (1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

(2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

RESIGNATION OF DIRECTOR

161. (1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by Central Government.

(2) The resignation of a director shall take effect from the date on which the notice is received by the

company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

(3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

162. The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

APPOINTMENT OF TECHNICAL DIRECTORS

163. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

REMOVAL OF DIRECTORS

164. (1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard:

Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

(2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.

(4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so,—
(a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and

(b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),
and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).

(6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:
Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

(8) Nothing in this section shall be taken -
(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
(b) as derogating from any power to remove a director under other provisions of this Act.

ELIGIBILITY FOR RE-ELECTION

165. A retiring Director shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

MEETINGS OF BOARD

166. (1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every

director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(4) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

(5) The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.

QUORUM

167. (1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.

(2) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.

(3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.

(4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

CASTING VOTE

168. Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN

169. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office.

COMMITTEES AND DELEGATION BY THE BOARD

170. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

171. The Company shall constitute such Committees as may be required under the Act or applicable provisions of Law.

172. Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

173. The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN

174. No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

PASSING OF RESOLUTION BY CIRCULATION

175. (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by Central Government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

(2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

SPECIAL NOTICE

176. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

GENERAL POWERS OF THE BOARD

177. (1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.

(2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

178. The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -

a. to make calls on shareholders in respect of money unpaid on their shares;
b. to authorize buy-back of securities under section 68;
c. to issue securities, including debentures, whether in or outside India;
d. to borrow monies;
e. to invest the funds of the company;
f. to grant loans or give guarantee or provide security in respect of loans;
g. to approve financial statement and the Board’s report;
h. to diversify the business of the company;

i. to approve amalgamation, merger or reconstruction;

j. to take over a company or acquire a controlling or substantial stake in another company;

k. to make political contributions;

l. to appoint or remove key managerial personnel (KMP);

m. to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;

n. to appoint internal auditors and secretarial auditor;

o. to take note of disclosure of director's interest and shareholding;

p. to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;

q. to invite and accept or renew public deposits and related matters;

r. to review or change the terms and conditions of public deposit;

s. to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

POWERS OF THE BOARD

179. (1) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

a. to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

b. to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;

c. to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.

d. to remit, or give time for the repayment of, any debt due from a director.

(2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(3) Nothing contained in clause (a) of sub-section (1) shall affect -
(a) the title of a buyer or other person who buys or takes on lease any property ,investment or undertaking as is referred to in that clause, in good faith; or
(b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

(4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorize the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

(5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

POWER TO BORROW

180. Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

181. All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

182. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

183. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

CONDITION ON WHICH MONEY MAY BE BORROWED

184. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

TERMS OF ISSUE OF DEBENTURES

185. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

186. (1) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

(2) No company shall issue any debentures carrying any voting rights.

(3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.

(4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.

(5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by Central Government.

(6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their

grievances in accordance with such rules as may be determined by Central Government.

(7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:
Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

(8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.

(9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.

(10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.

(11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.

(12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

(13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

EXECUTION OF INDEMNITY

187. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

CERTAIN POWERS OF THE BOARD

188. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

1. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.

2. Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

3. At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.

4. To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

5. To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.

6. To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.

7. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

9. To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.

10. To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

11. To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

12. To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

13. Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be though fit.

14. Subject to the provisions of Sections 179,180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

15. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

16. To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.

17. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.

18. To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable,

benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

19. Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to the provisions of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part the for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

20. To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act and of the provision contained in these presents.

21. From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.

22. To redeem redeemable preference shares.

23. Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

24. To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually

commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

APPOINTMENT OF INDEPENDENT DIRECTOR

189. Pursuant to Section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -
(i) an independent director;
(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

KEY MANAGERIAL PERSONNEL

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

190. (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act, Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

(2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

(3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

REMUNERATION OF KEY MANAGERIAL PERSONNEL

191. The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

192. Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

193. No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who -

(a) is below the age of twenty-one years or has attained the age of seventy years:
Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;
(b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
(c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or
(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

194. Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

195. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

a) Managing Director and
b) Manager.
and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

THE SECRETARY

196. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

THE SEAL, ITS CUSTODY AND USE

197. The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

MINUTES

198. (1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.
(a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.
(b) In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

199. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 191 above, shall be evidence of the proceedings recorded therein.

200. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 196 above then, until the contrary is proved the meeting shall be deemed to have

been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

201. (1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
(a) the names of the directors present at the meeting; and
(b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.

(7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting -
(a) is or could reasonably be regarded as defamatory of any person; or
(b) is irrelevant or immaterial to the proceedings; or
(c) is detrimental to the interests of the company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED.

202. Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

DIVIDENDS

203. (1) No dividend shall be declared or paid by a company for any financial year except -

(a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
(b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:
Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the

company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by Central Government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

(2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.

(3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:
Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:
Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:
Provided further that any dividend payable in cash may be paid by cheque or warrantor in any electronic mode to the shareholder entitled to the payment of the dividend.

(6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

DIVIDEND TO JOINT HOLDERS

204. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

205. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

APPORTIONMENT OF DIVIDENDS

206. All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

DECLARATION OF DIVIDENDS

207. The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

RESTRICTION ON AMOUNT OF DIVIDEND

208. No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

209. (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

INTERIM DIVIDENDS

210. The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

DEBTS MAY BE DEDUCTED

211. The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

DIVIDEND AND CALL TOGETHER

212. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

EFFECT OF TRANSFER

213. Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

RETENTION IN CERTAIN CASES

214. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THEREOUT

215. No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

PAYMENT BY POST

216. Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so send shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

DIVIDEND TO BE PAID WITHIN THIRTY DAYS

217. The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within thirty days from the date of the declaration of the dividend unless:

(a) the dividend could not be paid by reason of the operation of any law or
(b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
(c) there is dispute, regarding the right to receive the dividend or
(d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
(e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

UNPAID OR UNCLAIMED DIVIDEND

218. (1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.

(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.

(5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

(6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by Central Government.

CAPITALIZATION OF RESERVES

219. (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

FRACTIONAL CERTIFICATES

220. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
(b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:
(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

DIVIDEND IN CASH

221. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

222. The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

BOOKS OF ACCOUNTS

BOOKS OF ACCOUNTS TO BE KEPT

223. The Company shall cause to be kept proper books of account with respect to:

(i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;

(ii) all sales and purchases of goods and services by the company;

(iii) the assets and liabilities of the company; and

(iv) the items of cost as may be determined by Central Government under section 148 in the case of a company which belongs to any class of companies specified under that section;

BOOKS WHERE TO BE KEPT AND INSPECTION

224. (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by Central Government.

(2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).

(3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.

(4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

INSPECTION BY MEMBERS

225. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

226. The Board shall have power on giving not less than seven days' previous notice or such lesser period as may be specified, in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

227. The Board of Directors shall from time to time, in accordance with Sections 129 and134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

FINANCIAL STATEMENT

228. Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that option shall be stated.

AUTHENTICATION OF FINANCIAL STATEMENT

229. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT

230. Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such

other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The Board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of Article 229. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT

231. A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

(a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;

(b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

232. After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

233. (1) Without prejudice to the provisions of Section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other

document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by Central Government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -
(a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
(b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.

(2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

ACCOUNTS TO BE AUDITED

234. (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

APPOINTMENT OF AUDITORS

235. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.

(2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in

Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:
(a) he is not disqualified for re-appointment;
(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and
(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

(4) The company shall not appoint or reappoint -
(a) an individual as auditor for more than one term of five consecutive years; and
(b) an audit firm as auditor for more than two terms of five consecutive years:
Provided that—
(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.
(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

POWER OF BOARD TO MODIFY FINAL ACCOUNTS

236. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

DOCUMENTS AND NOTICE

SERVICES OF DOCUMENTS BY COMPANY

237. Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by Central Government:

A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier, to him to his registered address or through electronic means.

Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

SERVICE OF DOCUMENTS ON COMPANY

238. A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode in accordance with the Act and rules made thereunder.

AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

239. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

REGISTERS AND DOCUMENTS

REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

240. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

(a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
(b) Register of mortgages and charges as required by Section 85 of the Act.
(c) Register and index of Member and debenture holders as required by Section 88 of the Act.
(d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
(e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
(f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
(g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

241. Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc.,—

(a) required to be kept by a company; or
(b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

INDEMNITY

242. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

WINDING UP

DISTRIBUTION OF ASSETS

243. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

RIGHT OF SHAREHOLDERS IN CASE OF SALE

244. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

SECRECY CLAUSE

245. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company’s trading or any

matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

246. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which my come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

INSPECTION BY SHAREHOLDERS

247. The register of charges, register of investments, Register of Members, Books of accounts and the minutes of the meeting of the shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

248. Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

SIGNING OF CHEQUES

249. Subject to applicable Law and Section 64 of the Act, all cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

250. The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.

AUTHORIZATIONS

251. (a) Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein).

(b) If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.

This set of articles of association was adopted by the members through a special resolution at the EGM held on 31st January 2022**.**

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and (ii) will also be available for inspection on the website of our Company at https://www.balajisolutions.in/ from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated August 12, 2022 between our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated August 5, 2022 between our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Escrow Collection Bank(s), Refund Banker, Sponsor Bank and Public Issue Bank(s).

4. Share Escrow Agreement dated [●] amongst the Selling Shareholders our Company and the Share Escrow Agent.

5. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, the Registrar and Syndicate Members.

6. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

7. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated February 19, 2001 issued to our Company, under the name Balaji Solutions Private Limited.

3. Fresh certificate of incorporation dated March 28, 2008, issued by RoC, consequent upon change of name from ‘Balaji Solutions Private Limited’ to ‘Balaji Solutions Limited’, pursuant to conversion of our Company from a private limited company to a public limited company.

4. Fresh certificate of incorporation dated March 30, 2013, issued by RoC, consequent upon change of name from ‘Balaji Solutions Limited’ to ‘Balaji Solutions Private Limited’, pursuant to conversion of our Company from a public limited company to a private limited company.

5. Fresh certificate of incorporation dated August 7, 2018, issued by RoC, consequent upon change of name from ‘Balaji Solutions Private Limited’ to ‘Balaji Solutions Limited’, pursuant to conversion of our Company from a private limited company to a public limited company.

6. Fresh certificate of incorporation dated January 24, 2020, issued by RoC, consequent upon change of name from ‘Balaji Solutions Limited’ to ‘Balaji Solutions Private Limited’, pursuant to conversion of our Company from a public limited company to a private limited company.

7. Fresh certificate of incorporation dated February 25, 2022, issued by RoC, consequent upon change of name from ‘Balaji Solutions Private Limited’ to ‘Balaji Solutions Limited’, pursuant to conversion of our Company from a private limited company to a public limited company.

8. Resolution of the Board of Directors dated June 3, 2022, in relation to the Offer and other related matters.

9. Shareholders’ resolution dated June 30, 2022, in relation to the Fresh Issue and other related matters.

10. Resolution of the Board of Directors dated August 11, 2022 and IPO Committee dated August 12, 2022, approving this Draft Red Herring Prospectus.

11. Written consent dated August 12, 2022 from M/s P. Mukherjee & Co., Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory

Auditors, and in respect of (i) their examination report dated July 27, 2022 on our Restated Financial Statements; and (ii) their report dated August 12, 2022 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

12. Consent of the Selling Shareholders, the Directors, the BRLMs, the Syndicate Members, Legal Counsel to the Offer, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Monitoring Agency, Bankers to our Company, lenders of the Company, Promoter, Key Managerial Personnel, Company Secretary and Compliance Officer, Chief Financial Officer, Fitch Solutions India Advisory Services Private Limited as referred to in their specific capacities.

13. Written consent dated August 5, 2022 from Jayanta Dutta, as Independent Chartered Engineer to include his/ their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an 'expert' under Section 2(38) of Companies Act, 2013 in respect of the certificate dated August 5, 2022. Such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

14. Consent from Fitch Solutions India Advisory Private Limited (formerly known as IRR Advisory Services Private Limited) date August 1, 2022 in relation to the industry report titled "*Indian Electronics Industry*" date August 9, 2022.

15. Scheme of Amalgamation under section 391 to 394 of the Companies Act, 1956 of Foxin Technologies Private Limited with our Company and their respective shareholders and creditors dated April 1, 2015.

16. Order dated September 5, 2016 of High Court of Calcutta approving the Scheme.

17. Due Diligence Certificate dated August 12, 2022 addressed to SEBI from the BRLMs.

18. In principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively

19. Tripartite agreement dated April 20, 2018 amongst our Company, NSDL and the Registrar to the Offer

20. Tripartite agreement dated May 20, 2022 amongst our Company, CDSL and the Registrar to the Offer

21. SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Rajendra Seksaria
Chairman and Managing Director

Place: Howrah
Date: August 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Dinesh Bajaj
Whole-Time Director and Chief Financial Officer

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

____

Dinesh Bajaj
Whole-Time Director and Chief Financial Officer

Place: Howrah
Date: August 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Rakesh Kumar Agarwal
Non-Executive Director

Place: Howrah
Date: August 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shyamal Ghoshroy
Independent Director

Place: Howrah
Date: August 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Nidhi Dubey
Independent Director

Place: Howrah
Date: August 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR , and the SEBI Act, each as amended or the rules made, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Siddhartha Shankar Roy
Independent Director

Place: Howrah
Date: August 12, 2022

DECLARATION BY RAJENDRA SEKSARIA, AS SELLING SHAREHOLDER

I, Rajendra Seksaria, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Rajendra Seksaria

Place: Howrah
Date: August 12, 2022

DECLARATION BY RAJENDRA SEKSARIA HUF, AS SELLING SHAREHOLDER

I, Rajendra Seksaria, Karta of Rajendra Seksaria HUF, acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For Rajendra Seksaria HUF

____

Rajendra Seksaria, Karta

Place: Howrah
Date: August 12, 2022