



## IKIO LIGHTING LIMITED

CORPORATE IDENTITY NUMBER: U31401DL2016PLC292884

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
411, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi – 110 001	D – 234, Sector 63, Noida – 201 301, Uttar Pradesh.	Sandeep Kumar Agarwal Company Secretary and Compliance Officer	<b>Email:</b> secretarial@ikiolighting.com <b>Tel:</b> + 91 120 – 4116186	www.ikio.in

### PROMOTERS OF OUR COMPANY: HARDEEP SINGH AND SURMEET KAUR

### DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBS, NIIS AND RIIS
Fresh Issue and an Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 3,500 million	Up to 9,000,000 Equity Shares aggregating up to ₹ [●] million	Initial public offer of up to ₹ [●] equity shares of face value of ₹ 10 each (“ <b>Equity Shares</b> ”) aggregating up to ₹ [●] million (“ <b>Offer</b> ”)	The Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ <b>SEBI ICDR Regulations</b> ”). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors, see “ <i>Offer Structure</i> ” on page 495.

### OFFER FOR SALE

### DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT	WEIGHTED AVERAGE COST OF ACQUISITION* (IN ₹ PER EQUITY SHARE)
Hardeep Singh	Promoter	Up to 6,000,000 Equity Shares aggregating up to ₹ [●] million	0.01
Surmeet Kaur	Promoter	Up to 3,000,000 Equity Shares aggregating up to ₹ [●] million	0.01

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, the Cap Price and the Offer Price, as determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in “*Basis of Offer Price*” on page 120, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company, 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 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 Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 33.

### OUR COMPANY’S AND SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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, accept responsibility for and confirms, that the statements specifically made or confirmed by such Selling Shareholders in this Red Herring Prospectus, to the extent that the statements and information specifically pertain to such Selling Shareholder and the Equity Shares offered by such Selling Shareholders under the Offer for Sale, are true and correct in all material respects and assumes responsibility that such statements are not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company in this Red Herring Prospectus.

### LISTING

The Equity Shares, once offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. Our Company has received ‘in-principle’ approvals from the BSE Limited and the National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters both dated November 2, 2022. For the purposes of the Offer, the Designated Stock Exchange is BSE Limited.

### BOOK RUNNING LEAD MANAGER

Name and logo of Book Running Lead Manager	Contact Person	Email and Telephone
<b>Motilal Oswal Investment Advisors Limited</b>	Ritu Sharma	<b>Tel:</b> +91 22 7193 4380 <b>E-mail:</b> ikio.ipo@motilaloswal.com

### REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
<b>KFin Technologies Limited</b>	<b>M Murli Krishna</b>	<b>Tel:</b> +914067162222/18003094001 <b>E-mail:</b> ikiolighting.ipo@kfintech.com

### BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD*	Monday, June 05, 2023*	BID/OFFER OPENS ON*	Tuesday, June 06, 2023	BID/OFFER CLOSES ON**	Thursday, June 08, 2023**
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#As certified by the Statutory Auditor by way of their certificate dated May 29, 2023

\* Our Company may, in consultation with the Book Running Lead Manager, 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.

\*\* UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date unless otherwise extended.



## IKIO LIGHTING LIMITED

Our Company was incorporated as 'IKIO Lighting Private Limited' under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC") on March 21, 2016. The name of our Company was subsequently changed to 'IKIO Lighting Limited', upon conversion into a public company, pursuant to a board resolution dated January 3, 2022 and a shareholders' resolution dated January 31, 2022, and a fresh certificate of change of name was issued on April 18, 2022 by the RoC. For details in relation to the changes in the registered office of our Company, please see the section entitled "History and Certain Corporate Matters" on page 211.

**Corporate Identity Number:** U31401DL2016PLC292884

**Registered Office:** 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi – 110 001

**Corporate Office:** D-234-Sector 63, Noida – 201 301, Uttar Pradesh

**Contact Person:** Sandeep Kumar Agarwal, Company Secretary and Compliance Officer;

**Tel:** + 91 120 – 4116186 | **E-mail:** secretarial@ikiolighting.com, **Website:** www.ikio.in

### OUR PROMOTERS: HARDEEP SINGH AND SURMEET KAUR

**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 ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,500 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 9,000,000 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION COMPRISING OFFER FOR SALE OF UP TO 6,000,000 EQUITY SHARES BY HARDEEP SINGH AGGREGATING UP TO ₹ [●] MILLION AND UP TO 3,000,000 EQUITY SHARES BY SURMEET KAUR AGGREGATING UP TO ₹ [●] MILLION (THE "SELLING SHAREHOLDERS", AND 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"). THE OFFER WILL CONSTITUTE [●] % OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF JANSATTA A HINDI NATIONAL DAILY NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED 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 Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable.

This is an Offer in terms of Rule 19(2)(b) of the 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 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 Book Running Lead Manager, 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, 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 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 Offer shall be available for allocation to Non-Institutional Bidders ("Non-Institutional Portion") (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size between ₹ 0.20 million up to ₹ 1 million and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 1 million) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Offer Price 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 from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through 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 Banks 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. For further details, see "Offer Procedure" on page 498.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each. The Floor Price, the Offer Price or the Price Band as (determined by our Company in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis of Offer Price" on page 120, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, 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 Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 33.

### OUR COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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, accept responsibility for, and confirm, that the statements specifically made or confirmed by such Selling Shareholders in this Red Herring Prospectus to the extent that the statements and information specifically pertain such Selling Shareholders and the Equity Shares offered by such Selling Shareholders under the Offer for Sale, are true and correct in all material respects and assumes responsibility that such statements are not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company in this Red Herring Prospectus.

### LISTING

The Equity Shares, once offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters both dated November 2, 2022. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of this 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 this Red Herring Prospectus until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 549.

### BOOK RUNNING LEAD MANAGER

### REGISTRAR TO THE OFFER



**Motilal Oswal Investment Advisors Limited**  
10th Floor, Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel S.T. Depot, Prabhadevi Mumbai-400025, Maharashtra, India  
**Telephone:** +91 22 7193 4380  
**E-mail:** ikio.ipo@motilaloswal.com  
**Investor Grievance ID:** moiapf@redressal@motilaloswalgroup.com  
**Website:** www.motilaloswalgroup.com  
**Contact Person:** Ritu Sharma  
**SEBI Registration Number:** INM000011005



**KFin Technologies Limited**  
Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad 500 032, Telangana, India  
**Telephone:** +91 4067162222/18003094001  
**E-mail:** ikiolighting.ipo@kfintech.com  
**Investor Grievance ID:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** M Murli Krishna  
**SEBI Registration Number:** INR000000221

### BID/OFFER PROGRAMME

ANCHOR INVESTOR BID/OFFER PERIOD*	Monday, June 05, 2023*	BID/OFFER OPENS ON*	Tuesday, June 06, 2023	BID/OFFER CLOSING ON**	Thursday, June 08, 2023**
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\* Our Company may, in consultation with the Book Running Lead Manager, 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.

\*\* UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date unless otherwise extended.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This 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 assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. 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.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*The terms not defined herein but used in “Objects of the Offer”, “History and Certain Corporate Matters”, “Financial Indebtedness”, “Basis of Offer Price”, “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Information”, “Outstanding Litigation and Other Material Developments” “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association”, on pages 101, 211, 465, 120, 134, respectively, will have the meaning ascribed to such terms in those respective sections.*

#### General Terms

Term	Description
our Company / the Company / the Issuer	IKIO Lighting Limited, a public limited company incorporated under the Companies Act, 2013 and having its Registered Office at 411, Arunachal Building 19 Barakhamba Road, Connaught Place, New Delhi-110001 and Corporate Office at D-234-Sector 63, Noida – 201 301, Uttar Pradesh
we / us / our	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as on the date of this Red Herring Prospectus. With respect to the nine month period ended December 31, 2022 and the Fiscals 2022, 2021 and 2020, references to “we”, “us”, “our” refers to our Company and our Subsidiaries, as applicable as at and during such fiscals/period

#### Company Related Terms

Term	Description
Articles of Association / Articles / 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 Companies Act, 2013 and the Listing Regulations. For details see “Our Management – Committees of our Board” on page 228
Auditors / Statutory Auditors	The statutory auditors of our Company, currently being BGJC & Associates LLP, Chartered Accountants
Board / Board of Directors	The board of directors of our Company, as constituted from time to time or any duly constituted committee thereof. For details see “Our Management – Board of Directors” on page 223
Chairman and Managing Director	The chairman and managing director of our Company, namely Hardeep Singh. For details, see “Our Management” on page 223.
Chief Financial Officer / CFO	The chief financial officer of our Company, namely Subhash Chand Agrawal. For details, see “Our Management – Key Managerial Personnel” on page 238.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Sandeep Kumar Agarwal. For details, see “Our Management – Key Managerial Personnel” on page 238.
Corporate Office	D-234-Sector 63, Noida – 201 301, Uttar Pradesh.
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Company, constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see “Our Management – Committees of our Board” on page 228.



Term	Description
Director(s)	The director(s) on the Board of Directors, as appointed from time to time
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
ESOP Scheme	ILL Employee Stock Option Scheme 2022
Executive Director(s)	Executive director(s) on our Board. For further details of the Executive Director, see “ <i>Our Management</i> ” on page 223.
F&S	Frost & Sullivan (India) Private Limited
F&S Report	Report titled ‘ <i>Assessment of Select High End LED Lighting Market (EMS) in India</i> ’ dated April 20, 2023 prepared and issued by Frost & Sullivan (India) Private Limited, appointed by us pursuant to engagement letter dated May 19, 2022 and which was exclusively commissioned and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company <a href="https://ikio.in/ipo">https://ikio.in/ipo</a>
FTIPL	Fine Technologies (India) Private Limited
Group Companies	Our group companies, namely Raina Metaltech Private Limited and IKIO LED Lighting LLC are identified in terms of the SEBI ICDR Regulations and the Materiality Policy as set out in the section titled “ <i>Our Group Companies</i> ” on page 246
Independent Director(s)	The non-executive, independent Director(s) on our Board appointed as per Section 2(47) and Section 149(6) of the Companies Act, 2013 and the Listing Regulations. For details of our Independent Directors, see “ <i>Our Management-Board of Directors</i> ” on page 223
Inko Technologies	The proprietorship of our Promoter, Hardeep Singh
IPO Committee	The IPO committee of our Board formed pursuant to a resolution passed by the Board dated September 14, 2022. For details see “ <i>Our Management – Committees of our Board</i> ” on page 228.
ISPL	IKIO Solutions Private Limited
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 as applicable. For details see “ <i>Our Management – Key Managerial Personnel</i> ” on page 238
Materiality Policy	The materiality policy adopted by our Board pursuant to a resolution of our Board dated September 14, 2022, for identification of the material: (a) outstanding litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus and the Prospectus.
Memorandum of Association / Memorandum/ MoA	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee / NRC Committee	The nomination and remuneration committee of our Company constituted in accordance with the Companies Act, 2013 and the Listing Regulations. For details see “ <i>Our Management – Committees of our Board</i> ” on page 228
Non – Executive Director(s)	A Director, not being an Executive Director. For further details of the Non- Executive Director, see “ <i>Our Management</i> ” on page 223.
Proforma Consolidated Financial Information	The audited proforma consolidated financial information of our Company reflecting the acquisition of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited, as if the acquisition had been completed at a date prior to the first period presented therein which consists of the proforma consolidated statement of assets and liabilities as at December 31, 2022; March 31, 2022; March 31, 2021; and March 31, 2020, the proforma consolidated statement of profit and loss, statement of cash flows for the nine months ended December 31, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and related notes thereto
Promoter Group	Such persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 242
Promoter(s)	The promoters of our Company namely, Hardeep Singh and Surmeet Kaur
Registered Office	411, Arunachal Building 19 Barakhamba Road, Connaught Place, New Delhi-110001
Registrar of Companies / RoC	Registrar of Companies, Delhi and Haryana, at New Delhi, India. For further information, see “ <i>General Information</i> ” on page 83
REPL	Royalux Exports Private Limited
Restated Consolidated	The restated consolidated financial statements of our Company, comprising of restated statement of assets and liabilities as at December 31, 2022, March 31, 2022, March 31, 2021

<b>Term</b>	<b>Description</b>
Financial Statements/ Restated Consolidated Financial Information”	and March 31, 2020, the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and restated statement of changes in equity for nine month period ended on December 31, 2022 and each of the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Significant Accounting Policies and explanatory notes to the restated consolidated financial statements of the Company and included in “ <i>Financial Information</i> ” on page 250
Risk Management Committee	The risk management committee of our Company. For details see “ <i>Our Management – Committees of our Board</i> ” on page 228
RLPL	Royalux Lighting Private Limited
Selling Shareholder(s)	Hardeep Singh and Surmeet Kaur
Senior Management	Senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as described in “ <i>Our Management – Key Managerial Personnel and Senior Management of our Company</i> ” on page 238
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 Companies Act, 2013 and the Listing Regulations. For details see described in “ <i>Our Management – Committees of our Board</i> ” on page 228
Subsidiaries	<p>The subsidiaries and stepdown subsidiaries of our Company namely:</p> <p><b>Direct Subsidiaries</b></p> <ol style="list-style-type: none"> <li>1. Fine Technologies (India) Private Limited; and</li> <li>2. IKIO Solutions Private Limited</li> </ol> <p><b>Indirect Subsidiaries or stepdown subsidiaries of Fine Technologies (India) Private Limited</b></p> <ol style="list-style-type: none"> <li>1. Royalux Exports Private Limited; and</li> <li>2. Royalux Lighting Private Limited</li> </ol> <p>For details see “<i>Our Subsidiaries</i>” on page 220</p>
Whole-time Director(s)	The whole-time director of our Company namely Surmeet Kaur and Sanjeet Singh. For details see “ <i>Our Management</i> ” on page 223

## Offer Related Terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment /Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of this Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period or	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager

<b>Term</b>	<b>Description</b>
Anchor Investor Bidding Date	will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this 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 Book Running Lead Manager
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
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” beginning on page 498.
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.  The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Thursday, June 08, 2023, which shall be published in all editions of Financial Express, an English daily national newspaper and all editions of Jansatta, a Hindi national daily newspaper (Hindi being the regional language of New Delhi, where our Registered Office is located), each with wide circulation.

Term	Description
	<p>In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks, as required under the SEBI ICDR Regulations.</p> <p>Our Company in consultation with the Book Running Lead Manager, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Offer Opening Date	<p>Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being Tuesday, June 06, 2023, which shall also be published in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper (Hindi being the regional language of New Delhi, where our Registered Office is located) each with wide circulation and in case of any revision, the extended Bid/Offer Opening Date shall also be notified on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Period	<p>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.</p> <p>Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.</p> <p>Our Company may, in consultation with the Book Running Lead Manager, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only.</p>
Book Building Process	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Manager” or “BRLM”	The book running lead manager to the Offer, namely Motilal Oswal Investment Advisors Limited
Broker Centre	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
CAN or Confirmation of Allocation Note	The notice or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement dated May 29, 2023 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Member, the Banker(s) to the Offer, inter alia, for the appointment of the Sponsor Banks in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Circular Streamlining on of	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular

<b>Term</b>	<b>Description</b>
Public Issues/ UPI Circular	(SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803- 40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
Cut-off Price	The Offer Price, as finalised by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) as updated from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs 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, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, 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 can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time.
Designated Branches	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited



<b>Term</b>	<b>Description</b>
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated September 29, 2022, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer.
Eligible FPIs	FPIs that are eligible to participate in the Offer in terms of applicable law and 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 this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRIs	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, 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 this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being HDFC Bank Limited and Axis Bank Limited.
First 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, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted.
Fraudulent Borrower	A fraudulent borrower, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Fresh Issue	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 3,500 million by our Company.
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Manager.
Gross Proceeds	The Offer proceeds from the Fresh Issue.
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.
March 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
May 30 2022 Circular	SEBI Circular No.: SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	The agreement dated April 18, 2023 entered into between our Company with the Monitoring Agency.
Motilal Oswal/ MOIAL	Motilal Oswal Investment Advisors Limited
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
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.
Net Proceeds	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer</i> " on page 101.
Net QIB Portion	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors or NII(s) or Non-Institutional Bidders or NIB(s)	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 0.2 million (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, of which (i) one third shall be reserved for Bidders with Bids exceeding ₹ 0.2 million up to ₹ 1 million and (ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 1 million

Term	Description
	Provided that the unsubscribed portion in either of the sub-categories specified in clauses (i) or (ii), may be allocated to applicants in the other sub-category of NIIs, subject to valid Bids being received at or above the Offer Price
Non-Resident or NR Offer	A person resident outside India, as defined under FEMA. Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 3,500 million by our Company and an offer for sale of up to 9,000,000 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders.
Offer Agreement	The agreement dated September 29, 2022 along with addendum dated May 1, 2023 amongst our Company, the Selling Shareholders and the Book Running Lead Manager, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 9,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders in the Offer.
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band, at which the 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 this Red Herring Prospectus.  The Offer Price will be decided by our Company in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of this Red Herring Prospectus.
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 “ <i>Objects of the Offer</i> ” beginning on page 101
Offered Shares	Up to 9,000,000 Equity Shares aggregating up to ₹[●] million being offered by Selling Shareholders as part of the Offer for Sale.
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price.  The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper (Hindi being the regional language of New Delhi where our Registered Office is located), each of which are widely circulated, 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 in consultation with the Book Running Lead Manager, will finalise the Offer Price.
Prospectus	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account Bank(s)	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being HDFC Bank Limited.
Public Offer Account(s)	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company in consultation with the Book Running Lead Manager up to a limit of 60% of the

Term	Description
	QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price.
Qualified Institutional Buyers” or “QIBs”	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. However, non-residents which are FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Offer.
Red Herring Prospectus or RHP	This red herring prospectus dated May 29, 2023 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. This 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(s)	The ‘no-lien’ and ‘non-interest bearing’ account to be opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being HDFC Bank Limited .
Registered Broker	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
Registrar Agreement	The agreement dated September 29, 2022 along with addendum dated May 1, 2023 entered amongst 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 and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars.
Registrar, or Registrar to the Offer	KFin Technologies Limited
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidders or RIB(s) or Retail Individual Investors or RII(s)	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer.
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which 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.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.  QIB Bidders and Non-Institutional 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 Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> , or 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,

Term	Description
	which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=43</a> , as updated from time to time.
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ), and updated from time to time.
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely KFin Technologies Limited .
Share Escrow Agreement	The agreement dated May 01, 2023 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
Sponsor Bank(s)	The Banker(s) to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being HDFC Bank Limited and Axis Bank Limited .
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement dated May 29, 2023 entered into among our Company, the Selling Shareholders, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, Motilal Oswal Financial Services Limited .
Syndicate or members of the Syndicate	Together, the Book Running Lead Manager and the Syndicate Members.
Systemically Important Non-Banking Financial Company or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus.
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
UPI Bidders	Collectively, individual investors applying as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.  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 ₹ 500,000 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 ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.

Term	Description
	In accordance with the 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 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;int_mId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.
UPI Mechanism	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A wilful defaulter, as defined under 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, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

#### Technical/ Industry Related Terms

Term	Description
AI & ML	Artificial Intelligence & Machine Learning
BIS	Bureau of Indian Standards
CAGR	Compound Annual Growth Rate
CCTV	Closed-circuit Television
CFL	Compact Fluorescent Lamps
CR	Commercial Refrigeration
CY	Calendar Year
EDFC	Eastern Dedicated Freight Corridor
EESL	Energy efficiency services limited
EMC 2.0	Modified Electronics Manufacturing Clusters
EMS	Electronic Manufacturing Services
EU	European Union
EV	Electric Vehicles
FDI	Foreign Direct Investment
FPD	Flat Panel Display
GDP	Gross Domestic Product
GOI	Government of India
GPON	Gigabit Ethernet passive optical network
GW	Gigawatt
IMF	International Monetary Fund
IoT	Internet of Things
LED	Light Emitting Diode
LTE	Long-Term Evolution
MEIS	Merchandise Exports from India Scheme
MNRE	The Ministry of New and Renewable Energy
MSME	Micro, Small, and Medium Enterprises
MW	Megawatt
NMZ	National Manufacturing Zone
NPE	National Policy on Electronics
ODM	Original Design Manufacturer
OEM	Original Equipment Manufacturer
PCB	Printed Circuit Boards
PCBA	Printed Circuit Board Assembly



Term	Description
PLI	Production Linked Incentives
PMP	Phased Manufacturing Programme
PV	Photo Voltaic
RBI	Reserve Bank of India
RV	Recreational Vehicles
SLNP	Street Lighting National Program
SME	Small and Medium Enterprise
SPECS	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
TCO	Total Cost of Ownership
UJALA	Unnat Jyoti by Affordable LEDs for All
ULB	Urban Local Bodies
USD	United States Dollar
VAT	Value Added Tax
VOLTE	Voice over LTE

### Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the SEBI AIF Regulations.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year / year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013 / Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any amendments 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
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970.
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996 read with the rules and regulations thereunder
Depository / Depositories	NSDL and CDSL
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP / Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR	Euro
FAQs	Frequently asked questions
FCNR	Foreign currency non-resident account
FDI	Foreign direct investment

<b>Term</b>	<b>Description</b>
FDI Circular or Consolidated FDI Policy	The Consolidated Foreign Direct Investment Policy bearing DPIIT file number 5(2)/2020-FDI Policy dated 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, including the rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / FY / F.Y.	Period of twelve months ending on March 31 on that particular year, unless stated otherwise
FI	Financial institutions
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
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
Central Government / GoI	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
IT Act	The Information Technology Act, 2000
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India, being, accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of fund-based lending rate
Mn / mn	Million
MCA	Ministry of Corporate Affairs, Government of India
N.A / NA	Not applicable
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net asset value
NBFC	Non-Banking Financial Companies
NCLT	National Company Law Tribunal
NEFT	National electronic fund transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
Non-Resident	A person resident outside India, as defined under FEMA
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955

<b>Term</b>	<b>Description</b>
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Deposit Limited
NSE	National Stock Exchange of India Limited
OCB/ 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 the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
PAT	Profit After Tax
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
Rs. / Rupees/ ₹ / INR	Indian Rupees
RTGS	Real time gross settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI GAIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
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 Listing 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 Mutual Funds Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI SBEB 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 as repealed pursuant to SEBI AIF Regulations
Specified Securities	Equity shares and/or convertible securities
State Government	Government of a state of India
Stock Exchanges	Collectively, the BSE and NSE
STT	Securities transaction tax
TAN	Tax deduction account number
TDS	Tax deducted at source
U.S. Securities Act	United States Securities Act of 1933, as amended
US GAAP	Generally Accepted Accounting Principles in the United States of America
USA/ U.S/ United States	The United States of America its territories and possessions, any State of the United States, and the District of Columbia

<b>Term</b>	<b>Description</b>
USD/ US\$/ \$	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

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

### Certain Conventions

All references to “India” in this 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 in this Red Herring Prospectus to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to a year in this 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.

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

### Time

All references to time in this Red Herring Prospectus are to Indian Standard Time.

### Financial Data

Unless indicated or the context requires otherwise, the financial information and financial ratios in this Red Herring Prospectus are derived from our Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this Red Herring Prospectus comprise the restated statement of assets and liabilities as at, December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated cash flow statement for the nine month period ended on December 31, 2022 and the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of significant accounting policies, and other explanatory information, together with the annexures and the notes thereto, prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. See “*Summary of the Offer Document - Summary of Select Financial Information derived from our Restated Consolidated Financial Information*” and “*Restated Consolidated Financial Information*” beginning on pages 25, and 250, respectively.

Our Company acquired Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited as subsidiaries of our Company with effect from September 12, 2022. Accordingly, we have included in this Red Herring Prospectus the audited proforma consolidated financial information of our Company as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, to illustrate the impact of the acquisition of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited on our Company’s financial position as at March 31, 2022, March 31, 2021 and March 31, 2020 and our Company’s financial performance for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, as if the acquisition had taken place at an earlier date selected in accordance with the SEBI ICDR Regulations (the “**Proforma Consolidated Financial Information**”). The Proforma Consolidated Financial Information of our Company consists of the proforma consolidated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the proforma consolidated statement of profit and loss for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and related notes thereto. The Proforma Consolidated Financial Information relating to the acquisitions of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited is presented for illustrative purposes only and does not purport to represent what our actual income statement and balance sheet would have been, had the events which were the subject of the adjustments occurred on the relevant dates, nor does it purport to project our results of operations or financial position for any future period or date. The Proforma Consolidated Financial Information relating to the acquisition of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited does not include all of the information required or consolidated financial statements under Ind AS and should be read in conjunction with the Restated Consolidated Financial Information of our Company included elsewhere in this Red Herring Prospectus.



Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Our Restated Consolidated Financial Information have been prepared in accordance with Ind AS. There are significant differences between International Financial Reporting Standards ("IFRS") and Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"). The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India. Accordingly, any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.*" on page 67.

Certain additional financial information pertaining to our Group Companies are derived from their respective audited financial statements.

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

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

Certain Non-GAAP Measures relating to our operations and financial performance including EBITDA, EBITDA Margin, EBITDA CAGR, EBIT, RoNW, ROCE and NAV per Equity Share ("**Non-GAAP Measures**") have been included in this Red Herring Prospectus. We compute and disclose such Non-GAAP Measures relating to our financial performance as we consider such information to be supplemental and useful measures of our business and financial performance. These Non-GAAP Measures and other information relating to 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 of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by generally accepted accounting principles, including Ind AS and may not be comparable to similarly titled measures presented by other companies.

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

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

All the figures in this Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. 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 million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## Exchange Rates

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

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

Currency	Exchange rate			
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
USD	82.79	75.81	73.50	75.39

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in)

Note: Exchange rate is rounded off to two decimal point.

## Industry and market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled “*Assessment of Select High End LED Lighting Market (EMS) in India*” dated April 20, 2023, which is exclusively prepared for the purpose of the Offer and issued by F&S and is commissioned and paid for by our Company. F&S was appointed by our Company pursuant to engagement letter dated May 19, 2022. The F&S Report will be available on the website of our Company at <https://ikio.in/ipo> until the Bid / Offer Closing Date. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

F&S is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Manager.

For details of risks in relation to the F&S Report, see “*Risk Factors – Certain sections of this Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*” on page 63. The F&S Report is subject to the following disclaimer:

*“Assessment of Select High End LED Lighting Market (EMS) in India” has been prepared for the proposed initial public offering of equity shares by Ikio Lighting Limited (the “Company”).*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“Frost & Sullivan”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

*Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.*

*Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.*

*In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients 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”*

Although the industry and market data used in this Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 33. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, the section "*Basis for the Offer Price*" on page 120 includes information relating to our peer group companies. Such information has been derived from publicly available sources.

## FORWARD LOOKING STATEMENTS

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

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

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates 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, investments, or the industry in which we operate, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations, taxes, changes in competition in the industry in which we operate and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- We are dependent on, and derive a substantial portion of our revenue from, a single customer and the loss of such customers or a reduction in demand for their products could adversely affect our business, results of operations, financial condition and cash flows;
- We do not obtain firm and long-term volume purchase commitments from our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected;
- Our dependency on our R&D activities for our future success;
- We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns
- We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 33, 188 and 406, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

Neither our Company, our Directors, our Promoters, the Book Running Lead Manager, the Selling Shareholders, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. In accordance with the SEBI ICDR Regulations, the Selling Shareholders shall ensure (through our Company) that the investors are informed of material developments in relation to statements and undertakings specifically confirmed or undertaken by the Selling Shareholders in relation to it and the Offered Shares from the date of the Draft Red Herring Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.



## SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring 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 Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Offer Procedure” on pages 33, 73, 91, 101, 134, 188, 242, 250, 467, and 498, respectively of this Red Herring Prospectus.

### Primary Business of our Company

We are an Indian manufacturer of light emitting diode (“LED”) lighting solutions. We are focused on sustainability and providing low energy LED products to help India meet its sustainability goals. We are primarily an original design manufacturer (“ODM”) and design, develop, manufacture and supply products to customers who then further distribute these products under their own brands. We also work with our customers to develop, manufacture and supply products that are designed by our customers. Our products are categorised as (i) LED lighting; (ii) refrigeration lights; (iii) ABS (acrylonitrile butadiene styrene) piping; and (iv) other products. Our LED lighting offerings focus on the premium segment and include lighting, fittings, fixtures, accessories and components. We provide lighting solutions (lights, drivers and controls) to commercial refrigeration equipment suppliers under our refrigeration light segment. We also manufacture an alternative to polyvinyl chloride (“PVC”) piping called ABS piping that is primarily used by our US customers for plumbing applications in the recreational vehicles (“RVs”) that they fit out. In addition, we manufacture and assemble other products including fan regulators that are designed by our clients; light strips, moulding, and other components and spares. Our equipment and systems are used in various industries and products, including residential, industrial and commercial lighting.

Set forth below is a breakdown of our revenue from operations on a restated basis, by product category and as a percentage of revenue from operations for nine-month period ended on December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Category	Nine month period ended on December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2197.09	91.27	2,014.02	91.59	1,504.83	94.25	1,348.16	95.85
ABS Pipes	-	-	19.86	0.90	-	-	-	-
Refrigerator Lights	47.28	1.96	-	-	-	-	-	-
Others	162.83	6.77	165.07	7.51	91.80	5.75	58.32	4.15
<b>Total revenue from operations</b>	<b>2,407.21</b>	<b>100.00</b>	<b>2,198.95</b>	<b>100.00</b>	<b>1,596.63</b>	<b>100.00</b>	<b>1,406.48</b>	<b>100.00</b>

Set forth below is a breakdown of our revenue from operations on a proforma consolidated basis, by product category and as a percentage of revenue from operations for nine-month period ended on December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Category	Nine-month period ended on December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,827.82	86.05	2,879.76	86.78	1,862.50	87.26	1,876.82	85.21

Category	Nine-month period ended on December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
ABS Pipes	99.04	3.01	50.88	1.53	-	-	-	-
Refrigerator Lights	107.03	3.26	133.48	4.02	82.56	3.87	134.33	6.10
Others	252.38	7.68	254.28	7.66	189.40	8.87	191.32	8.69
<b>Total revenue from operations</b>	<b>3,286.27</b>	<b>100.00</b>	<b>3,318.40</b>	<b>100.00</b>	<b>2,134.46</b>	<b>100.00</b>	<b>2,202.47</b>	<b>100.00</b>

### Industry in which our Company operates

The global electronics manufacturing services market is traditionally comprised of companies that manufacture electronic products, predominantly assembling components on printed circuit boards (PCBs) and box builds for major brands. Today, brands are seeing more value from EMS companies, leading to involvement beyond just manufacturing services to include product design and development, testing, and aftersales services such as repair, remanufacturing, marketing, and product lifecycle management.

The EMS market was established more than five decades ago to execute manufacturing designs from government, defence, and research institutions. As the years progressed, the EMS market grew to support the demand that exceeded the manufacturing capacity of the brands. By the mid-1990s, the advantages of the EMS concept became extremely evident and major brands started outsourcing PCB assembly on a large scale. By the end of the 1990s and early 2000s, several brands having their own manufacturing facilities sold their assembly plants to the EMS players, aggressively striving for market share. A wave of partnerships followed as the more cash-rich EMS companies started buying the existing plants and the smaller EMS companies to consolidate their position in the global market.

### Our Promoters

Our Promoters are Hardeep Singh and Surmeet Kaur. For further details, see “Our Promoters and Promoter Group” beginning on page 242.

### Offer Size

Offer	[●] Equity Shares, aggregating up to ₹ [●] million
<i>of which</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 3,500 million
Offer for Sale <sup>(2)</sup>	Up to 9,000,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders

(1) *The Offer has been authorized by a resolution of our Board dated September 14, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated September 16, 2022. Further, our Board and IPO Committee have taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolutions dated September 29, 2022 and May 1, 2023, respectively.*

(2) *The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholder, have consented to participate in the Offer for Sale. For details of authorizations received for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” beginning on page 475.*

The above table summarises the details of the Offer. For further details of the offer, see “The Offer” and “Offer Structure” beginning on pages 73 and 495, respectively.

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

### Objects of the Offer

The Net Proceeds are proposed to be used by our Company in accordance with the details set forth below:

Particulars	Estimated amount (₹ in million)	Estimated amount as a percentage of Net Proceeds (%)
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and its Subsidiaries on consolidated basis	500.00	[●]
Investment in our wholly owned Subsidiary, IKIO Solutions Private Limited, for setting up a new facility at Noida, Uttar Pradesh	2,123.11	[●]
General corporate purposes <sup>(1)</sup>	[●]	[●]
<b>Total<sup>(1)</sup></b>	<b>[●]</b>	<b>[●]</b>

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

For further details, see “Objects of the Offer” beginning on page 101.

#### Aggregate Pre-Offer shareholding of our Promoters, the Promoter Group (other than our Promoters) and the Selling Shareholders as a percentage of the pre Offer paid-up Equity Share Capital

(1) The aggregate pre-Offer shareholding of our Promoters, as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below:

S. No.	Name of the Shareholder*	Equity Shares of face value of ₹ 10 each	Percentage of pre-Offer paid-up equity share capital (%)
(1)	Hardeep Singh	38,999,142	60.00%
(2)	Surmeet Kaur	26,000,000	40.00%
	<b>Total</b>	<b>64,999,142</b>	<b>100.00%</b>

\*Also the Selling Shareholders.

(2) The aggregate pre-Offer shareholding of the members of the Promoters Group (other than our Promoter), as a percentage of the pre-Offer paid- up Equity Share capital of our Company is set out below:

S. No.	Name of the Shareholder	Equity Shares of face value of ₹ 10 each	Percentage of pre-Offer paid-up equity share capital (%)
(1)	Ishween Kaur	260	Negligible
(2)	Harjeet Singh	260	Negligible
	<b>Total</b>	<b>520</b>	<b>Negligible</b>

For further details, see “Capital Structure” beginning on page 91.

#### Summary of select financial information derived from our Restated Consolidated Financial Information

(in ₹ million except per share data)

Particulars	As at and for the nine month period ended December 31, 2022	As at and for the Fiscal ended March 31, 2022	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020
Equity Share Capital	650.00	250.00	0.50	0.50
Net worth (total Equity) <sup>(1)</sup>	1,266.15	764.41	483.16	276.52
Total Revenue	2,431.78	2,207.19	1,600.39	1,407.32
Restated Profit after tax	345.82	280.10	205.80	159.93
Earnings per share (basic and diluted) <sup>(2)</sup> <sup>(3) (4) (5)</sup>	5.32	4.31	3.17	2.46

Particulars	As at and for the nine month period ended December 31, 2022	As at and for the Fiscal ended March 31, 2022	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020
NAV per equity share <sup>(6)</sup>	19.48	11.76	7.43	4.25
Total borrowings <sup>(7)</sup>	1,363.27	161.61	49.60	77.77

Notes:

1. Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Information of the Company, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
2. Basic and diluted EPS are based on the Restated Consolidated Financial Information.
3. Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year
4. Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year
5. Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'
6. NAV per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Further, "other equity" comprises retained earnings, other comprehensive income and securities premium reserve as at the end of respective year/period.
7. Total Borrowings = Non – current borrowings + Current Borrowings including current maturities of long-term borrowings

For further details, see "Other Financial Information" beginning on page 402.

#### Qualifications of the Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications from the Statutory Auditors in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

#### Summary of Outstanding Litigation

A summary of outstanding litigation proceedings of our Company, Directors, Promoters and Subsidiaries as disclosed in "Outstanding Litigation and Material Developments" on page 467, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to resolution dated September 14, 2022, as of the date of this Red Herring Prospectus is set forth below:

(in ₹ million)

Name of Entity	Criminal proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Tax proceedings	Material civil proceedings	Aggregate amount involved <sup>^</sup>
<b>Company</b>						
By our Company	Nil	Nil	Nil	5	Nil	2.32
Against our Company	Nil	Nil	Nil	1	Nil	25.10
<b>Directors*</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against our Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						

Name of Entity	Criminal proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Tax proceedings	Material civil proceedings	Aggregate amount involved <sup>^</sup>
By our Subsidiaries	Nil	Nil	Nil	1	Nil	1.11
Against our Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

<sup>^</sup>to the extent quantifiable.

\* The litigations involving Directors do not include litigations involving our Promoters who are also Directors on the Board of our Company.

As on the date of this Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies which may have a material impact on our Company.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 467.

## Risk Factors

Specific attention of the investors is invited to “*Risk Factors*” section beginning on page 33. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

## Summary of Contingent Liabilities

As of December 31, 2022, contingent liabilities as per Ind AS 37 as indicated in our Financial Information are as follows:  
(₹ in million)

Particulars	As at December 31, 2022
Demand under Sales Tax for the year 2017-18 against pending C-Forms	25.10

For further details of contingent liabilities, see “*Restated Consolidated Financial Information – Note 38 –Contingent Liabilities and Other Commitments*” beginning on page 295.

## Summary of Related Party Transactions

Summary of the related party transactions of our Company for the nine -month period ended on December 31, 2022 and the Financial Year ended March 31, 2022, 2021 and 2020, as per Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, derived from Restated Consolidated Financial Information read with SEBI ICDR Regulations are set forth in the table below:

Particulars	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A) Transaction during the period/Year</b>				
<b>Purchases</b>				
Fine Technologies (India) Private Limited	99.67	237.20	180.95	181.78
Inko Technologies	-	1.97	3.87	0.04
Royalux Lighting Private Limited	15.04	25.55	15.12	19.25
Singh Enterprises	0.23	-	-	-
Singh Engineering	0.06	-	-	-
<b>Remuneration / Salary</b>				
Mr. Hardeep Singh	17.54	85.00	66.00	43.25
Ms. Surmeet Kaur	7.04	19.50	22.20	14.25
Mr. Sanjeet Singh	5.51	19.50	18.48	-
Ishween Kaur	2.88	-	-	-

Particulars	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Rent &amp; Others</b>				
Raina MetalTech Private Limited	5.18	2.94	0.70	0.13
Royalux Lighting Private Limited	-	-	3.11	0.49
<b>Repayment of Loan</b>				
Mr. Hardeep Singh	290.51	-	-	19.00
Mrs Surmeet Kaur	39.00	-	-	7.80
Mr Sanjeet Singh	14.54	-	-	-
<b>Sales of Goods &amp; Fixed Assets</b>				
Fine Technologies (India) Private Limited (including sale of car)	1.14	6.17	4.16	3.98
Royalux Exports Pvt. Ltd	4.87	21.56	0.74	0.15
Royalux Lighting Private Limited	5.37	14.56	17.16	37.68
Hardeep Singh	-	0.12	0.48	0.12
Ikio Led Lighting LLC	12.46	-	-	-
Singh Enterprises	1.61	-	-	-
Ms. Ishween Kaur			0.03	0.08
<b>Loan taken</b>				
Mr. Hardeep Singh	354.00	-	-	8.50
Ms. Surmeet Kaur	39.00	-	-	-
Mr Sanjeet Singh	21.70	-	-	-
<b>B) Balance outstanding with or from related parties as:-</b>				
<b>Receivables</b>				
Royalux Exports Pvt. Ltd	-	18.93	0.21	0.15
Singh Enterprises	9.25	-	0.07	0.07
Inko Technologies	-	-	0.72	-
Mr. Hardeep Singh	-	-	0.47	-
Ms. Ishween Kaur	-	-	0.03	-
Royalux Lighting Private Limited	-	-	1.12	-
Ikio Led Lighting LLC	39.85	-	-	-
<b>Payables</b>				
Fine Technologies (India) Private Limited	-	1.16	4.98	1.81
Raina MetalTech Private Limited	0.39	0.19	0.20	0.40
Royalux Lighting Private Limited	-	2.03	-	-
Mr. Hardeep Singh	264.67	-	-	-
Mrs. Surmeet Kaur	65.04	-	-	-
Mr. Sanjeet Singh	22.56	-	-	-
Mrs. Ishween Kaur	7.10	-	-	-
<b>Corporate Guarantees Taken from</b>				
Raina MetalTech Private Limited	58.69	-	35.13	61.26

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Inko Technologies	20.00	-	35.13	61.26
Royalux Exports Pvt. Ltd	-	-	35.13	61.26
IKIO Solutions Private Limited	-	-	35.13	61.26
Fine Technologies (India) Private Limited	-	-	35.13	61.26
Mr. Hardeep Singh	195.82	-	-	-
Mrs. Surmeet Kaur	195.82	-	-	-
<b>Equitable Mortgage taken from</b>				
IKIO Solutions Private Limited	-	44.63	-	-
Raina Metal Tech Private Limited	-	-	35.13	61.26
<b>Corporate Guarantees Given to</b>				
Fine Technologies (India) Private Limited	-	-	35.26	-
IKIO Solutions Private Limited	-	149.22	138.90	-
Royalux Exports Pvt. Ltd	-	-	118.69	-

All the related party transactions are on arm length price adding certain percentage of markup in each transaction keeping in view available prices in the open market.

For details of the related party transactions in accordance with Ind AS 24, see “*Restated Consolidated Financial Information – Note 44 – Related Party Disclosures*” beginning on page 302.

### Financing arrangements

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

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

The weighted average price at which our Promoters and the Selling Shareholders acquired the Equity Shares in the last one year preceding the date of this Red Herring Prospectus are as follows:

Name	Number of Equity Shares acquired	Weighted Average Price of Equity Shares acquired (₹)*
<b>Promoters</b>		
Hardeep Singh	23,999,472 <sup>#</sup>	Nil
Surmeet Kaur	16,000,000 <sup>#</sup>	Nil

\*Also the Selling Shareholders.

\*As certified the Statutory Auditor, by way of their certificate dated May 29, 2023.

<sup>#</sup>Our Promoters and Selling Shareholders, in the one year preceding the date of this Red Herring Prospectus have acquired Equity Shares through issuance of bonus Equity Shares. In such a case, there is no cost of acquisition.

### Weighted average cost of acquisition of all shares transacted in the one year, eighteen months and three years preceding the date of this 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 Red Herring Prospectus#	Nil	Nil	Nil
Last eighteen months preceding the date of this Red Herring Prospectus#	Nil	Nil	Nil
Last three years preceding the date of this Red Herring Prospectus	Nil	Nil	Nil

^ As certified by the Statutory Auditor, by way of their certificate dated May 29, 2023.

# Acquired pursuant to a bonus issuance of Equity Shares, allotted on September 17, 2022.

\* To be updated in the Prospectus, following finalisation of the Cap Price.

### Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoters and the Selling Shareholders, as at the date of this Red Herring Prospectus, is set forth below:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share* (₹)
<b>Promoters</b>		
Hardeep Singh**	38,999,142	0.01
Surmeet Kaur**	26,000,000	0.01

\*As certified the Statutory Auditor, by way of their certificate dated May 29, 2023.

\*\*Also the Selling Shareholders

For further details of the acquisition of Equity Shares of our Promoters, see “*Capital Structure – Build-up of our Promoters’ shareholding in our Company*” at page 95.

### Details of Pre-IPO placement

Our Company has not undertaken any pre-IPO of its Equity Shares.

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

Other than as disclosed in “*Capital Structure*” on page 91, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

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

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

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

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this 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 Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.*

*We have described the risks and uncertainties that we consider material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see “Our Business”, “Industry Overview”, “Key Regulations and Policies in India” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 188, 134, 211 and 406, respectively, as well as other financial information included elsewhere in this Red Herring Prospectus. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” on page 23.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan and commissioned and paid for by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year.*

*Unless the context otherwise requires, references in this section to “the Group”, “we”, “us”, or “our” are to IKIO Lighting Limited and its subsidiaries and associates on a consolidated basis and “our Company” or “the Company” are to IKIO Lighting Limited.*

*Unless otherwise indicated or the context requires otherwise, (i) the consolidated financial information of the Company and its subsidiaries and associates (the “Group”) for the nine months ended December 31, 2022 included herein have been derived from our consolidated restated balance sheet of the Group as at December 31, 2022 and March 31, 2020, and our consolidated restatement of profit, cash flows and changes in equity of the Group for the nine months ended December 31, 2022, together with the statement of significant accounting policies, and other explanatory information thereon, and (ii) the proforma consolidated financial information for the nine months ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 included herein have been prepared by our management and reviewed by our statutory auditors. Since September 12, 2022, our Company owns 100% of the outstanding share capital of the Subsidiaries. The Consolidated Restated Consolidated Financial Information for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020 does not include financial information for the Subsidiaries prior to their acquisitions by our Company. The Proforma Consolidated Financial Information have been prepared to include the Subsidiaries, which are under the common control of the Promoter, as if such entities were wholly-owned subsidiaries of the Company for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.*

### **Internal Risks**

#### **Risks Relating to our Business**

- 1. Since September 12, 2022 our Company owns 100% of the equity shareholding of our Subsidiaries. As our Company did not own 100% of the equity shareholding of our Subsidiaries until September 12, 2022, the Restated Consolidated Financial Information does not include financial information for our Subsidiaries prior to their acquisitions by our Company. Accordingly, our Restated Consolidated Financial Information, as of, and for the nine month period ended December 31, 2022, and as of, and for the years ended, March 31, 2022, 2021 and 2020, are not comparable to any future financial results that we may prepare. In addition, because of their nature, our***

***Proforma Consolidated Financial Information addresses a hypothetical situation and, therefore, does not represent our factual results of operations or financial condition.***

Our Company did not own 100% of the equity shareholding of our Subsidiaries prior to September 12, 2022, and the Restated Consolidated Financial Information does not include financial information for the Subsidiaries prior to their acquisitions by our Company. Accordingly, our Restated Consolidated Financial Information, as of, and for the nine month period ended December 31, 2022, and as of, and for the years ended, March 31, 2022, 2021 and 2020, are not comparable to any future financial results that we may prepare.

Since September 12, 2022, our Company owns 100% of the equity shareholding of our Subsidiaries which are set forth below:

<b>Name of the Subsidiary</b>	<b>Date of Incorporation</b>
Fine Technologies (India) Private Limited	February 2, 1999
IKIO Solutions Private Limited	September 20, 2018
Royalux Exports Private Limited (“REPL”)	December 7, 2021 <sup>^</sup>
Royalux Lighting Private Limited (“RLPL”)	March 23, 2022 <sup>*</sup>

<sup>^</sup> REPL was incorporated to take over existing business of Royalux Exports, a proprietorship concern of Hardeep Singh.

<sup>\*</sup> RLPL was originally incorporated as “Royalux Lighting LLP” under the Limited Liability Partnership Act, 2008 pursuant to a certificate of incorporation dated September 9, 2014 issued by the RoC. Royalux Lighting LLP was converted into a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 23, 2022 issued by the RoC and its name changed to Royalux Lighting Private Limited.

For details of the acquisition of the Subsidiaries, see “History and Certain Corporate Matters” on page 211.

For the purpose of understanding the combined businesses of our Company (on a consolidated basis, as applicable), we have prepared the Proforma Consolidated Financial Information as of, and for the nine month period ended December 31, 2022, and as of, and for years ended March 31, 2022, March 31, 2021 and March 31, 2020. Because of its nature, the Proforma Consolidated Financial Information addresses a hypothetical situation and, therefore, is subject to change and may not give an accurate picture of our factual results of operations or financial condition. It instead purports to indicate the results of operations and the financial position that would have resulted had the reorganization been completed at the date prior to the first period presented but are not intended to be indicative of expected results or operations in the future periods or our future financial position.

In addition, the proforma adjustments made in the Proforma Consolidated Financial Information are based upon available information and assumptions that our management believes to be reasonable. The Proforma Consolidated Financial Information has not been prepared in accordance with generally accepted accounting principles including accounting standards and, accordingly, should not be relied upon as if it had been carried out in accordance with those principles and standards and practices. For information on the proforma adjustments made in such Proforma Consolidated Financial Information, see “Proforma Consolidated Financial Information” beginning on page 318.

In addition to the Proforma Consolidated Financial Information, we present certain other financial information, operating data, key financial indicators and Non-GAAP financial measures “on a proforma consolidated basis” which indicates that the information was prepared to give effect to the combination of our Company (on a consolidated basis, as applicable) as if the reorganization occurred immediately before the start of the respective period or year.

Because of its nature, the financial information, operating data, key financial indicators and Non-GAAP financial measures “on a proforma consolidated basis” address a hypothetical situation and, therefore, is subject to change and may not give an accurate picture of our factual results of operations or financial condition. It instead purports to indicate the financial and operating information that would have resulted had the above mentioned reorganization been completed at the date prior to the first period presented but are not intended to be indicative of expected results or operations in the future periods or our future financial position.

In addition, the proforma adjustments made in the financial information, operating data, key financial indicators and Non-GAAP financial measures “on a proforma consolidated basis” are based upon available information and assumptions that our management believes to be reasonable. This proforma information and operating data has not been prepared in accordance with generally accepted accounting principles including accounting standards and, accordingly, should not be relied upon as if it had been carried out in accordance with those principles and standards and practices.

Further, this proforma information has not been prepared in accordance with accounting or other standards and practices

generally accepted in jurisdictions other than India (including in the United States), and, accordingly, should not be relied upon as if they had been prepared in accordance with those standards and practices of any other jurisdiction.

- 2. *We are dependent on, and derive a substantial portion of our revenue from, a single customer, Signify Innovations India Limited, erstwhile Philips India, and over 85% of our revenue is derived from our top twenty customers on a restated basis and a proforma consolidated basis for the nine months ended December 31, 2022 and Fiscal 2022. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, Signify Innovations India Limited accounted for 70.04%, 91.23%, 94.60% and 95.63%, respectively, of our restated revenue from operations and accounted for 51.31%, 60.45%, 70.76% and 61.07%, respectively, of our proforma consolidated revenue from operations. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.***

We are dependent on a limited number of customers. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our top twenty customers accounted for 90.80%, 100%, 100% and 100%, respectively, of our restated revenue from operations; our top ten customers accounted for 85.94%, 98.80%, 99.76% and 99.91%, respectively, of our restated revenue from operations; and, our top five customers accounted for 81.14%, 95.79%, 98.88% and 99.74%, respectively, of our restated revenue from operations. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our top twenty customers accounted for 85.73%, 85.02%, 91.32% and 85.59%, respectively, of our proforma consolidated revenue from operations; our top ten customers accounted for 78.37%, 80.13%, 87.76% and 79.76%, respectively, of our proforma consolidated revenue from operations; and, our top five customers accounted for 78.37%, 73.12%, 83.31% and 73.03%, respectively, of our proforma consolidated revenue from operations. Further, our Company has no long term written agreement with our customers, and, typically our key customers share a sales plan for the forthcoming quarter or six months, followed by purchase orders on a monthly basis.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, Signify (Philips), which is our largest customer, accounted for 70.04%, 91.23%, 94.60% and 95.63%, respectively, of our restated revenue from operations. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, Signify (Philips), accounted for 51.31%, 60.45%, 70.76% and 61.07%, respectively, of our proforma consolidated revenue from operations. Based on an analysis done by F&S and as set out in our Company Commissioned F&S Report, F&S estimates that our Company has a wallet share of approximately 45% (Wallet share refers to how much of a customer's expenses for a category of product or service goes to a particular company). Accordingly, our Company opines that the long term relationship is mutually beneficial to both Signify (Phillips) and our Company. While our Company has expanded its customer base (including through its wholly owned subsidiaries), we expect that in the future a limited number of customers will continue to comprise a significant percentage of our operating revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. Further, when anticipated orders fail to materialize, it can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

In addition, we generate account receivables in connection with providing manufacturing services to our key customers. If one or more of our customers were to become insolvent or otherwise unable to pay for the products supplied by us, this could have a have an impact on our business as we may not be able to recoup the unpaid production costs and materials incurred for manufacturing purposes.

Our profitability also depends on the growth and performance in business of our key customers. In the EMS manufacturing, our revenues are dependent on the sale of products by our customers under their own brand names. We rely on the success of our customers in marketing and selling of these products and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our top customers could harm us as well, including, recession in the geographies in which our key customers operate their businesses, our key customers' inability to effectively manage their operations or changes in laws and policies affecting our customers to operate profitably.

- 3. *We are dependent on, and derive a substantial portion of our revenue from, LED lighting products. Any reduction in orders from our LED lighting product line could have a material adverse effect on our business, results of***

#### ***operations and financial condition.***

We are dependent on our LED lighting product category. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenue from operations on a restated basis in the LED lighting category accounted for 91.27%, 91.59%, 94.25% and 95.85%, respectively, of our restated revenue from operations. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenue from operations on a proforma consolidated basis in the LED lighting category accounted for 86.05%, 86.78%, 87.26% and 85.21%, respectively, of our proforma consolidated revenue from operations. While we have expanded our product lines to include ABS pipes, refrigerator lights and other products, we expect that in the future our LED lighting product category will continue to comprise a significant percentage of our operating revenue. Consequently, if we are unable to maintain or expand our sales volumes in the LED lighting category for any reason, maintain our relationship with our key customers in this product line and/or diversify our LED lighting customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, cancellation or delay or reduction in orders for LED lighting products could have a material adverse effect on our business, results of operations and financial condition.

#### ***4. We do not receive firm and long-term volume purchase commitments from our customers. If our customers choose not to renew their supply contracts with us or continue to place orders with us, our business and results of operations will be adversely affected.***

We typically enter into a period purchase orders for a specific range of products with our customers which is valid for three years and renewed thereafter. Within this period, products are manufactured and sold on a purchase order basis. Our purchase orders with our key customers typically include the terms and conditions including the return policy are set forth in the purchase orders and master agreements. Customer orders usually specify shipping arrangements and packing material and are subject to, among other things, regulatory requirements, various import duties and other government clearances in the case of exports. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. There is no guarantee that despite having contractual arrangement with our customers, that we are assured of generating revenues in the future as they are not under any obligations to outsource their manufacturing requirements to us.

Accordingly, we might not be able to predict the extent of revenues that we can generate for each of the products manufactured by us in the future and accordingly, our estimated sales based on which we manage our capital resource requirements might need to be altered as required. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected quantity or may even cancel existing orders (including where deliveries were to be made in the future) or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Although our customers might be contractually obligated to purchase products on specific terms from us for particular orders placed with us, we may be unable to or may choose not to enforce our contractual rights if our customers choose to cancel existing or change or even terminate their orders with us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer could adversely affect our results of operations due to reduced sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them.

Lower utilization of our manufacturing facilities could also result in our realizing lower margins as we may not be able to undertake manufacturing in large numbers which is critical to our business. Consequently, there is no commitment on the part of the customer to continue to place new orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' preferences. In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, personnel requirements and other resource requirements, based on our estimates of customer orders. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules

Inherent in any future acquisition is the risk of transitioning company cultures and facilities. The failure to efficiently and effectively achieve such transitions could adversely affect our business, results of operations and financial condition.

5. *Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, injury to employees, severe weather conditions and natural disasters. In addition, any strikes, work stoppages or increased wage demands by our employees could also interfere with our operations. Further, our manufacturing facilities are located in in Uttarakhand and the National Capital Region “NCR” exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.*

We have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three in Noida in the National Capital Region. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our “**Manufacturing Assets**”) may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

As on date of this Red Herring Prospectus, we have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three in Noida in the National Capital Region. Accordingly, our manufacturing and R&D operations are concentrated in these two geographic areas. This concentration heightens our exposure to adverse developments related to regulation, as well as economic, demographic and other changes in these two locations as well as the occurrence of natural and man-made disasters, which may adversely affect business, results of operations and financial condition. Our manufacturing and R&D operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavourable policies in Uttarakhand and the NCR, could adversely affect our business, results of operations and financial condition. Furthermore, these locations have experienced social and civil unrest in the past within the state and such tensions could lead to political or economic instability and a possible adverse effect on our business, results of operations and financial condition. There can be no assurance that such situations will not recur or be more intense than in the past.

For risks in relation to the leasehold nature of our manufacturing facilities, – “*We do not own certain of the premises of our manufacturing facilities and corporate offices*” below on page 41 of this Red Herring Prospectus.

Our manufacturing processes involve heavy machinery including welding, plastic moulding machinery, sheet metal fabrication machinery, die casting machinery, powder coating plant, lifting of heavy materials that may result in accidents, which could cause injury to our employees, contract labour and other persons at our manufacturing facilities and warehouses or that could also damage our equipment, machines and properties. During the last three years, there have been only two minor incidents in one of our Noida units:

1. In December 2021, due to the negligence of a worker, a labourer’s right hand flowed into the feeder of extrusion machines and injured their fingertips. As a corrective action, a wired protection cage has been added to the feeder to prevent future incidents.
2. In March 2022, due to the technical malfunctioning of auto command equipment and ignition electrodes installed with oven in powder coating section, the oven roof was blasted and resulted partial burning injury of two labourers. As a corrective action, frequency of preventive monitoring and maintenance has been increased.

In the event of any such accidents, our business operations may be interrupted, and this may adversely affect our production schedules, costs and sales and our ability to meet customer demand. In addition, any such accidents may expose us to civil or criminal liability, which could have an adverse effect on our business, financial condition and results of operations.

As on February 28, 2023, we had 1,470 employees and 19 contract workers working in our manufacturing facilities/offices. The success of our operations depends on availability of labour and good relationships with our labour force. As of February 28, 2023, our employees are not members of any organised labour unions. Shortage of skilled or unskilled personnel or increased wage demands could have an adverse effect on our business and results of operations. In addition, work stoppages caused by disagreements with employees like strikes and lockouts may adversely affect our operations. Although we have not had instances of strikes and labour disputes, we may experience strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, results of

operations and financial condition. In addition, while we have not had any instances in the past, we also may face protests from local citizens at our existing manufacturing facilities or while setting up new facilities, which may delay or halt our operations.

We experienced a partial shutdown of our facilities in India during the nationwide lockdown due to the COVID-19 pandemic. See – “*The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*” on page 48. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

**6. *We rely on a number of third party suppliers for our key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Further, we do not have any long term contracts with any of the suppliers. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

Our principal raw materials include diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium dye cast and extruded aluminium, various metals, electrical and electronic components. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our cost of materials consumed On a Restated Consolidated Basis was ₹1,586.71 million, ₹1,523.50 million, ₹1,052.30 million and ₹954.01 million, respectively, which represented 65.91%, 69.28%, 65.91% and 67.83% of our revenue from operations On a Restated Consolidated Basis. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our cost of materials consumed on a proforma consolidated basis was ₹2,091.53 million, ₹2,096.34 million, ₹1,213.83 million and ₹1,392.39 million, respectively, which represented 63.64%, 63.17%, 56.87% and 63.22%, respectively, of our revenue from operations on a proforma consolidated basis.

We rely on a number of suppliers for our raw materials, components and stock-in-trade which are an integral part of our products as well as suppliers for our customer support services. We have purchased 45.58%, 55.28%, 55.45% and 54.86% of its raw material from our top 10 suppliers during the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. In the nine months ended December 31, 2022 and in Fiscal 2022, we utilized over 385 and 280 suppliers, respectively, for our components and raw materials. While we have not historically encountered problems with availability, and our global sourcing team has mitigated these risks by increasing inventory for some of these materials, this does not mean that we will continue to have timely access to adequate supplies of essential materials and components in the future or that supplies of these materials and components will be available on satisfactory terms when needed.

Given our reliance on our suppliers, if any one of our suppliers is unable to deliver our raw materials, components or customer support services in a timely manner, or at all, or meet our design or quality specifications, we may be unable to meet our product and service delivery timelines. Delayed supplies from our suppliers may in turn result in delayed deliveries by us to our customers and we may incur liquidated damages. There can be no assurance that we will be able to maintain strategic relationships with our suppliers or diversify our supplier base. Further, our suppliers may enter into exclusive arrangements with our competitors or other non-competing manufacturing companies and we may be unable to obtain alternative sources for our raw materials, components and stock-in-trade at commercially reasonable prices, or at all, or enter into alternative arrangements with other manufacturing partners.

During the course and aftermath of the Covid-19 related restrictions and fallout of the same on global supply chains, our business suffered scarcity and in certain instances non-availability of some raw-materials such as silicon chips / semiconductor materials. While we were able to subsequently purchase these raw materials through alternative vendors, we had to incur certain additional costs for the same.

We do not have any long term contracts with our third-party suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each component or raw material. Consequently, we are subject to pricing fluctuations from order to order. The terms and conditions including the return policy are set forth in the purchase orders. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to

maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

If we are unable to deliver reliable and high-quality products or timely resolve any issues relating to our products and services, confidence in our business could be undermined and we may be unable to expand or maintain our customer base and market share. We may incur additional expenses for resolving errors, providing damages for the defects or delays, extending warranties, increasing insurance coverage, obsolescence of inventory and defective products. In addition, we may have to divert significant research and development and engineering efforts to resolve such defects. Our customers may also bring legal actions against us, which could expose us to additional liabilities. No such instance has occurred to date. Further, we may also be unable to realise any results from our research and development efforts undertaken to develop those products and recognise any revenue from the sales of those products in a timely manner, or at all. If any of these eventualities materialise, our reputation, business, results of operations and financial condition could be materially and adversely affected.

**7. *We rely on imported components from vendors in China, Singapore, Hong Kong and Taiwan and raw materials, and in the nine months ended December 31, 2022 and in Fiscal 2022, imports accounted for 55.67% and 52.25% of our total raw materials purchased on a proforma consolidated basis. Any shortfall in the supply of our imported components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

We source raw materials from vendors in China, Singapore, Hong Kong and Taiwan. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our imported raw materials as a percentage of total raw materials purchased On a Restated Consolidated Basis represented 49.82%, 48.44%, 53.93% and 34.67%, respectively, of which approximately 90.00% were imported from China. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our imported raw materials as a percentage of total raw materials purchased on a proforma consolidated basis represented 55.67%, 52.25%, 52.45% and 24.07%, respectively, of which approximately 90.00% were imported from China. Any restriction on import of components or raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations. While we have not historically encountered problems with availability, and our global sourcing team has mitigated these risks by increasing inventory for some of these materials, this does not mean that we will continue to have timely access to adequate supplies of essential materials and components in the future or that supplies of these materials and components will be available on satisfactory terms when needed. Any increase in imported component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of imported components and raw materials, and any inability on our part to find alternate sources for the procurement of such imported components or raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

**8. *Any surplus production on account of inaccurate forecasting of customer requirements and failure to manage inventory could adversely affect our business, results of operations and financial condition.***

Our business depends on our estimate of the demand from customers. As is typical in the manufacturing industry, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods. We maintain a lead-time material requirement planning system and utilize our ERP software, SAP (B1), to manage our levels of inventory. The average lead time for receipt of inventory from placing orders is typically 15 days to 3 months. During the Covid-19 pandemic, this was extended by an additional 15 days to one month depending on the nature of the raw material and the country of origin. As of December 31, 2022 and as of March 31, 2022, 2021 and 2020, our total inventory on a Restated Consolidated Basis amounted to ₹1,253.64 million, ₹562.35 million, ₹315.97 million and ₹169.44 million, respectively. As of December 31, 2022 and as of March 31, 2022, 2021 and 2020, our total inventory on a proforma consolidated basis amounted to ₹1,253.64 million, ₹1,097.74 million, ₹578.53 million and ₹371.84 million, respectively. The tables below contain the details of the holding levels (days) considered:

<b>Inventory Days as at</b>	<b>On a Restated Consolidated Basis</b>	<b>On a Proforma Consolidated Basis</b>
Nine months ended December 31, 2022	143 Days	105 Days
March 31, 2022	93 Days	121 Days
March 31, 2021	72 Days	99 Days
March 31, 2020	44 Days	62 Days

*Inventory Days is calculated as Total Inventory divided by Revenue from Operations multiplied by 365*

For December 31, 2022, same is calculated by Revenue from Operation multiplied by 275

However, we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. Due to the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/ surplus of our products. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

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 for our products. Changes in demand for our products and solutions could make it difficult to schedule production and lead to a mismatch of production and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations and financial condition.

**9. We have experienced negative cash flows in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020.**

We have experienced negative cash flows in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020. In particular, we have experienced negative cash flows from operating activities in Fiscal 2022 and Fiscal 2021.

The following table summarizes our cash flows for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars	For the nine months ended December 31	For the fiscal year ended March 31,		
	2022	2022	2021	2020
Net cash generated from/(used in) operating activities	195.42	(52.53)	(0.49)	132.10
Net cash (used in) investing activities	(410.70)	(45.56)	(29.89)	(38.78)
Net cash generated from/(used in) financing activities	197.79	102.66	(33.73)	(46.38)
Net increase/(decrease) in cash and cash equivalents	(17.47)	4.57	(64.11)	46.95
Cash and cash equivalents at the beginning of the year	30.89	1.93	66.04	19.09
Cash and cash equivalents at the end of the year	13.42	6.50	1.93	66.04

The following table summarizes our cash flows for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Particulars	For the nine months ended December 31	For the fiscal year ended March 31,		
	2022	2022	2021	2020
Net cash generated from/(used in) operating activities	295.92	(154.84)	(86.38)	231.92
Net cash (used in) investing activities	(353.16)	(92.08)	(61.14)	26.50
Net cash generated from/(used in) financing activities	48.86	235.89	102.76	(205.25)



Particulars	For the nine months ended December 31	For the fiscal year ended March 31,		
	2022	2022	2021	2020
Net increase/(decrease) in cash and cash equivalents	(8.38)	(11.03)	(44.76)	53.17
Cash and cash equivalents at the beginning of the year	21.80	32.83	77.59	24.42
Cash and cash equivalents at the end of the year	13.42	21.80	32.83	77.59

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see “*Management’s Discussion and Analysis of our Financial Condition and Results of Operations*” on page 406.

**10. We do not own certain of the premises of our manufacturing facilities and corporate offices.**

We do not own our Registered, Corporate Office and the properties upon which our manufacturing facilities operate. While the lease agreements for our manufacturing facilities may be long term or short term lease in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-compliance of the terms of the agreement. A description of our properties for our manufacturing facilities are set forth:

Name of company	Location	Primary Purpose	Freehold or Lease Expiration
IKIO Lighting Limited	Plot No. 102 Sector - 07, IIE, SIDCUL, Haridwar – 249403, Uttarakhand	Manufacturing facility	Long term Leasehold from SIDCUL
Fine Technologies (India) Private Limited	D- 234, Sector -63, Noida – 201301, Uttar Pradesh	Manufacturing facility	Leasehold, with lease expiring on January 24, 2024, from Raina MetalTech Private Limited, our related party.
Royalux Lighting Private Limited	B201 A, Industrial Phase 2, Noida 201305, Uttar Pradesh	Manufacturing facility	Leasehold, with lease expiring on October 31, 2023, from Brickwell Manufacturing Private Limited, a third party,
Royalux Exports Private Limited	150-B, Noida Special Economic Zone, Noida – 201305, Uttar Pradesh	Manufacturing facility	Long term Leasehold from NOIDA Authority

Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises which is detrimental to our operations. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Once we obtain a lease, we incur significant expenses to install necessary furniture, fittings, machinery, lighting, security systems and air conditioning, to ensure such unit is designed in line with our requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, results of operations and financial condition.

Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects of which we may not be aware.

**11. We are dependent on our R&D activities for our future success. If we do not successfully develop new products in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.**

Our R&D department focuses on product designing, die and mould designing, electronic circuit designing and prototype designing. For the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020, our R&D expenses On a Restated Consolidated Basis were ₹12.25 million, ₹8.38 million, ₹6.13 million, and ₹9.00 million, respectively. Further, for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020, our

R&D expenses on a proforma consolidated basis were ₹15.42 million, ₹13.05 million, ₹10.15 million, and ₹12.11 million, respectively. Our R&D department has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. For instance, our R&D team worked on approximately 450 new products (SKUs) in the last three fiscal years. Innovation and applied engineering continue to be the key determinant for our success. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. We may encounter unexpected delays in the development of new products and these new products may not perform as we expect.

The success of our products will depend on several factors, including our ability to engineer them to the high standards requirement by regulators, certifying agencies and our customers, to properly anticipate customer needs; to obtain timely regulatory approvals; to establish collaborations with suppliers and customers; to develop and manufacture our products in a timely and cost-effective manner through our product development efforts; and to market and sell our products successfully. In addition, the development and commercialisation of our products are characterised by significant upfront costs, including costs associated with product development activities, obtaining regulatory approvals and certifications and building manufacturing processes. If we do not successfully develop new products in a timely, cost-effective manner that is attractive to our customers, our business, results of operations and financial condition may be adversely affected.

The components and products that we manufacture are subject to technological change. These changes may affect the demand for our products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends. New products based on new or improved technologies may render existing products obsolete. In addition, a slowdown in demand for our existing products could result in a write-down in the value of inventory on hand related to existing products and/or a charge for the impairment of long-lived assets related to such products. If our customers defer or cancel orders for existing products and services in the expectation of changes in the market, regulatory requirements or a new product release or if there is any delay in development or introduction of our new products or enhancements of our products, our business, results of operations and financial condition would be adversely affected.

As part of our strategy and to cater to the changing customer preferences and market trends, we have introduced various new product offerings in recent years. However, there is possibility that we may miss a market opportunity because we failed to invest, or invested too late, or were unable to enter into an arrangement with a technology partner, in a technology product or enhancement sought by our customers.

Changes in market demand or investment priorities may also cause us to discontinue existing or planned development for new equipment, which can have an adverse effect on our relationships with customers. If we fail to make the right investments or fail to make them at the right time or our failure to manage the introduction of new products and services in line with our strategy and as per the changing customer preferences and market trends could have a material adverse effect on our business, results of operations and financial condition.

***12. We operate in a competitive environment and may not be able to effectively compete due to various factors not under our control, which could have a material adverse effect on our business, results of operations and financial condition.***

The market wherein we operate is competitive, rapidly evolving and is characterized by frequent introductions of new piping products, lighting solutions, applications and technologies. We expect competition to persist and intensify in the future as the market wherein we operate is constantly evolving and growing with new and existing competitors devote considerable resources to introducing and enhancing products. Accordingly, our ability to grow our business in accordance with our strategy will depend on our ability to introduce new products, adapt to new technologies, respond to pricing strategies by competitors, redevelop our brand, execute agreements with technology partners, improve our manufacturing capabilities and technology and develop intellectual property.

Our competitors may devote greater resources to the development, promotion and sale of their products than we do. They may have lower costs and be able to withstand lower prices better in order to gain market share. They may be more diversified than we are and better able to leverage their other businesses, products and services to be able to accept lower returns and gain market share. In addition, our competitors may have greater engineering, technical, manufacturing, research and development, sales, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can.

To remain competitive, we must continue to invest significant resources in modernisation, research and development, manufacturing, sales and marketing and customer support. We cannot be sure 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. Failure to compete successfully against current or future competitors could have a material adverse effect on our business, results of operations and financial condition.

For further information, see “*Industry Overview*” beginning on page 134.

***13. Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.***

Our operations are subject to environmental laws and regulations in India, including the Environment (Protection) Act, 1986 read with The Environment (Protection) Rules, 1986, the Air (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Act, 1981, , the Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016, National Environmental Policy and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India (“*MoEF*”) and various statutory and regulatory authorities and agencies in India. We are subject to regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business, see “*Key Regulations and Policies*” on page 211. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

We are also subject to the laws and regulations in India governing employees in such areas as minimum wage act and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, Industrial Employment (Standing Orders) Act, 1946, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employee’s Compensation Act, 1923, the Trade Unions Act, 1926, the Payment of Bonus Act, 1965, the Equal Remuneration Act, 1976, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Child Labour (Protection Regulation) Act, 1986, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Apprentices Act, 1961. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. While there have been no instances where we have failed to comply with regulations that has resulted in a shutdown or other sanctions being imposed on us, we cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

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

**14. Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation, cost overruns and certain Government approvals and licenses. If we are unable to implement the expansion plans at the planned cost or unable to obtain Government approvals and licenses, it could materially and adversely impact our business, results of operations and financial condition.**

We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts. We intend to use a part of the Net Proceeds to develop a new manufacturing facility in Noida through our wholly owned Subsidiary, IKIO Solutions Private Limited for the capacity expansion of our manufacturing facilities and to provide backward integration as well as R&D support for our existing manufacturing processes (“**Proposed Expansion**”). For further details, see “*Objects of the Offer*” on page 101.

The Proposed Expansion may be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment or manpower, non-receipt of Government approvals and licenses, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, delays in receiving governmental, statutory and other regulatory approvals as we apply for them at various stages of the project, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management.

There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, results of operations and financial condition.

In addition, our wholly owned Subsidiary, IKIO Solutions Private Limited, through which such Proposed Expansion will be conducted has not had operating revenue during the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020. For the brief financials of IKIO Solutions Private Limited, see “*Objects of the Offer- IKIO Solutions Private Limited*” on page 105.

**15. We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.**

Our business requires working capital for day-to-day operations, procurement of raw materials, components and production. In addition, certain purchase orders may require a considerable increase in materials and production costs, or fees for technology collaborators, particularly in connection with large new orders. The credit period given to customers may be considerable and customers may not be invoiced for products until the time of delivery of our products or solutions or after their delivery and, in some cases, the customer may not pay our invoices on time or at all. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, we had total outstanding working capital loans On a Restated Consolidated Basis aggregating to ₹874.84 million, ₹147.22 million, ₹28.72 million and ₹51.20 million, respectively. As at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, we had total outstanding working capital loans on a proforma consolidated basis aggregating to ₹874.84 million, ₹678.39 million, ₹347.70 million and ₹298.62 million, respectively.

Our working capital ratios on a Restated Consolidated Basis as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are as follows:

Ratios	Formula	Period Ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Current Ratio	Current Assets	1.41	2.75	2.50	1.75
	Current Liabilities				
Inventory Turnover Ratio	Cost of Goods Sold	1.74	3.31	4.37	7.45
	Average Inventory				

Ratios	Formula	Period Ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivable Turnover Ratio	Credit Sales	4.86	10.57	15.75	21.38
	Average Account Receivables				
Trade Payable Turnover Ratio	Credit Purchases	7.02	10.83	7.63	8.52
	Average Account Payables				
Net Capital Turnover Ratio	Sales	3.80	4.66	6.39	12.37
	Average Working Capital				

Our working capital ratios on a proforma consolidated basis as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are as follows:

Ratios	Formula	Period Ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Current Ratio	Current Assets	1.41	1.76	1.63	1.08
	Current Liabilities				
Inventory Turnover Ratio	Cost of Goods Sold	1.72	2.29	2.53	4.80
	Average Inventory				
Trade Receivable Turnover Ratio	Credit Sales	5.09	7.49	6.82	7.73
	Average Account Receivables				
Trade Payable Turnover Ratio	Credit Purchases	8.04	10.57	5.04	5.29
	Average Account Payables				
Net Capital Turnover Ratio	Sales	4.42	5.37	8.75	20.38
	Average Working Capital				

Our inventory days, trade receivable days and trade payable days On a Restated Consolidated Basis at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are as follows:

Ratios	Formula	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Inventory Days	Inventory x 365 (Inventory x 275 for December 31, 2022)	143	93	72	44
	Sales				
Trade Receivable Days	Accounts Receivable x 365 / (Accounts Receivables x 275 for December 31, 2022)	84	43	36	12
	Credit Sales				
Trade Payable Days	Accounts Payable x 365 / (Accounts Payable x 275 for December 31, 2022)	54	30	53	49
	Credit Purchase				

Our inventory days, trade receivable days and trade payable days on a proforma consolidated basis at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, are as follows:

Ratios	Formula	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Inventory Days	Inventory x 365 (Inventory x 275 for December 31, 2022)	105	121	99	62
	Cost of Goods Sold				

<i>Ratios</i>	<i>Formula</i>	<b>As at December 31, 2022</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Trade Receivable Days	Accounts Receivables x 365 / (Accounts Receivable x 275 for December 31, 2022) Credit Sales	61	61	56	49
Trade Payable Days	Accounts Payable x 365 / (Accounts Payable x 275 for December 31, 2022) Credit Purchase	39	35	60	76

Our inability to meet our working capital requirements through borrowings or cash from our operations, as the case may be, could have a material adverse effect on our business, results of operations and financial condition.

***16. Our business may expose us to potential warranty claims, product recalls and returns, which could adversely affect our results operations, goodwill and the marketability of our products.***

Our LED lighting solutions, ABS piping and other products are exposed to warranty claims, product recalls and returns due to defects in our products or designs. We believe that we meet or exceed existing professional specification standards recognized or required in the industries in which we operate. Our warranties typically range from one to three years, but due to past trends, there are immaterial cases of any return or replacement of our products, therefore we do not take a provision to cover our product warranties. Maintaining high standards of quality in our manufacturing, installation, operation and maintenance activities is critical to our growth and success. We have implemented quality systems across our manufacturing facilities that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products.

We may also be subject to product liability claims in the event that the failure, use, or misuse of our products results, or is alleged to result, in death, bodily injury, property damage, or economic loss. But no such claim received in past three years. Although we currently maintain product liability coverage, which we believe is adequate for existing product liability claims and for the continued operation of our business, it includes customary exclusions and conditions, and it may not cover every utilization or application of our products. Additionally, such insurance may become difficult to obtain or be unobtainable in the future on terms acceptable to us. A successful product liability claim or series of claims against us, including one or more consumer claims purporting to constitute class actions or claims resulting from extraordinary loss events, in excess of or outside our insurance coverage, or a significant warranty claim or series of claims against us, could materially and adversely affect our business, results of operations and financial condition.

***17. We are dependent upon the experience and skill of our management team and a number of Key Managerial Personnel and Senior Management. 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 ability to meet 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. Competition for qualified technical personnel as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Our Company's attrition rate in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was 8.53%, 8.65%, 5.60% and 10.54% on a proforma consolidated basis. 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 adverse effect on our business, results of operations and financial condition. 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 for our customers, we will need to continue to attract and retain experienced management, engineering, R&D 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. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Red Herring Prospectus, we do not have key man insurance policies. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial

condition may be adversely affected. For further information, see “Our Management” on page 223.

**18. *We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.***

Pursuant to certain of our arrangements with our customers, based on customer preferences, we may be required to pay the freight costs for the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. This makes us dependent on various intermediaries such as domestic logistics companies and container freight station operators. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition. Additionally, if we lose one or more of our third-party transportation providers, we may not be able to obtain terms as favourable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, proforma consolidated freight and forwarding expenses were ₹55.21 million, ₹23.33 million, ₹21.17 million and ₹22.19 million, respectively, and represented 2.09%, 0.88%, 1.21% and 1.16%, respectively, of our proforma consolidated total expenses in the same periods. Further, We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, results of operations and financial condition.

Further, our third party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under our insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

**19. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***

The Majority of our sales (approximately 80 to 90% based on the negotiation with our customers) are to customers on an open credit basis, with standard payment terms of generally between 45 to 60 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer’s financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our trade receivables On a Restated Consolidated Basis were ₹731.93 million, ₹259.69 million, ₹156.38 million and ₹46.40 million, respectively, and our receivable turnover days On a Restated Consolidated Basis were 84 days, 43 days, 36 days and 12 days, respectively, in the same periods. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our trade receivables on a proforma consolidated basis were ₹731.93 million, ₹558.87 million, ₹327.55 million and ₹298.19 million, respectively, and our receivable turnover days on a proforma consolidated basis were 61 days, 61 days, 56 days and 49 days, respectively, in the same periods. Any increase in our receivable turnover days may negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, although no such past instance has occurred, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our bad debts On a Restated Consolidated Basis were NIL, NIL, NIL and NIL, respectively and provision for expected credit loss On a Restated Consolidated Basis were 0.85, NIL, ₹0.91 million and NIL, respectively. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our bad debts on a proforma consolidated basis were NIL, NIL, ₹15.95 million and ₹0.13 million, respectively and provision for expected credit loss on a proforma consolidated basis

were ₹1.61 million, ₹0.19 million, ₹12.62 million and ₹4.63 million, respectively.

**20. *We could incur losses under our purchase orders and contracts with our customers or be subjected to disputes or contractual penalties as a result of cost overruns, delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, results of operations and financial condition.***

Our purchase orders and contracts for our products for liquidated damages for late delivery of our products and/or services. In the past, there have been instances of time overruns, due to which we have been required to re-negotiate some of the terms, such as date of delivery of our purchase orders and customer contracts due to a delay in delivery (owing to a combination of internal as well as external factors beyond our control). There can be no assurance that our customers in the future will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or we may need to renegotiate some of our customer contracts. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of liquidated damages and renegotiation of terms of purchase orders/ contracts could also have an adverse impact on our financial position and cash flows. In addition, certain of our customer purchase orders/ contracts, enable our customers to set off payments for goods delivered against previous outstanding balances. Any such instances may also impact our cash flows and have an adverse impact on our business operations.

**21. *Any downgrade of our debt ratings could adversely affect our business.***

As of the date of this Red Herring Prospectus, we have received the following credit ratings on our debt and credit facilities.

Instrument or Rating Type	Amount (₹ in millions)	Date	Ratings	Rating Agency
<b>Issuer</b>				
Long Term Funding	100.00	March 16, 2023	CRISIL BBB- /Positive	CRISIL
<b>Subsidiaries</b>				
Long Term Funding	100.00	March 16, 2023	CRISIL BB+/Positive	CRISIL
Long Term Funding	100.00	March 16, 2023	CRISIL BBB- /Positive	CRISIL
Long Term Funding	100.00	March 16, 2023	CRISIL BB+/Positive	CRISIL

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of the COVID-19 pandemic. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

**22. *We may not be able to optimally utilise our backward integration to enhance and support our business which may affect our business, results of operations and financial condition.***

We strive to provide end-to-end solutions to our customers, in manufacturing, including global sourcing, fabrication of component and parts, captive manufacturing and assembly, quality testing, packaging and logistics support. We have substantial backward integration of our manufacturing facilities to enable us to be cost efficient, reduce dependency on third party suppliers (providing components) and control quality of components used in the manufacture of products. Among others, we have in-house manufacturing of components and sub-assemblies which supports all our product verticals. We rely on our backward integration for timely and quality manufacturing of our products to fulfil our customers' demands.

Should there be any disruptions or malfunctions at any of our facilities as a result of which the components required for manufacturing the end products are not available on time, we may have to procure such components from third party suppliers which may not be available at short notice in the volume required by us, within the timelines required by us or at the rates favourable to us which may have an adverse effect on our business, results of operations and financial condition. Such failure to procure quality components on time may also harm our reputation and cause our customers to terminate our agreements.

**23. *The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.***



The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020 that lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The second wave of COVID-19 infections impacted India in April, May and June 2021. In June 2021, the COVID-19 reported cases from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures. In the first half of 2022, new variants of COVID-19 like Omicron and Delta continued to emerge.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortage, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India and internationally could also adversely affect our business, results of operations and financial condition.

Our manufacturing has been impacted during the COVID -19 pandemic as set forth below.

- Due to the nationwide lockdown, we were required to shut down our manufacturing operations from March 25, 2020 to May 3, 2020. Any future restrictions on our workforce's access to any of our manufacturing facilities and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, results of operations and financial condition.
- Due to COVID-19 lockdowns, some of our management and administrative employees worked from their homes remotely for certain periods. The continuation of work-from-home measures introduces additional operational risk, especially cybersecurity risk.
- In response to the impact of the pandemic and to keep our manufacturing plant operations, many steps were taken by the management, including (i) making employees aware of the pandemic, (ii) distribution of PPE items, *i.e.*, masks and sanitisers, (iii) construction of sanitization tunnel, (iv) arranging for rapid antigen testing, (v) sanitizing the office and plant premises at regular intervals, (vi) taking out a COVID-19 insurance policy to cover the medical expenses of affected employees, (vii) daily temperature and oxygen level monitoring, and (viii) ensuring social distancing at the work place. Offices worked in shifts and office transportation buses were added to help maintain social distancing.
- Some of our employees have been infected with the COVID-19 virus during the pandemic, which caused us to lose some management and employee personnel hours.
- Our revenue from operations on a proforma consolidated basis decreased from ₹2,202.47 million in Fiscal 2020 to ₹2,134.46 million in Fiscal 2021 as we experienced an overall lower demand for our products during the first quarter of Fiscal 2021. In the first quarter of Fiscal 2021, our revenue from operations on a proforma consolidated basis decreased by 77.53% as compared to the first quarter of Fiscal 2020. We experienced improved business conditions and improved financial results thereafter until the second wave when we again experienced overall lower demand for our products during the first quarter of Fiscal 2022. In the first quarter of Fiscal 2022, our revenue from operations on a proforma consolidated basis decreased by 2.82% as compared to the first quarter of Fiscal 2020.
- We rely on many suppliers and contractors. During Fiscal 2022 and Fiscal 2021, we have not faced challenges in obtaining raw materials and components but encountered a sharp increase in the prices of raw materials and components and shipping freight, both inward and outward, in the second half of Fiscal 2021 and Fiscal 2022. For instance, our cost of goods sold, which is the aggregate of our cost of materials consumed and changes in inventories on a proforma consolidated basis, increased by 59.63% to ₹1,922.11 million for Fiscal 2022 from ₹1,204.13 million for Fiscal 2021 as compared to our growth in our revenue from operations which was 55.47%. Increases in prices of raw materials and components could have a material adverse effect on our business, results of operations and financial condition. In addition, global logistics disruptions have resulted in an increase in our freights and logistics costs and may continue to do so.
- Our business may be affected by a variety of external factors that may affect the price or marketability of our products and services, including disruptions in the capital markets, changes in interest rates that may increase our funding costs and reduced demand for our products due to economic conditions. The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in increased costs of our imports of raw materials.

The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further

steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our LED lighting and other product lines. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

**24. *The markets we serve are subject to cyclical demand and vulnerable to economic downturn, which could harm our business and make it difficult to project long-term performance. In addition, our business is seasonal.***

Demand for our products depends in large part upon the level of capital and maintenance expenditures by many of our customers and end-users, in particular those customers in the LED lighting sector. These customers' expenditures historically have been cyclical in nature and vulnerable to economic downturns. Decreased capital and maintenance spending by these customers could have a material adverse effect on the demand for our products and our business, financial condition, and results of operations. In addition, this historically cyclical demand limits our ability to make accurate long-term predictions about the performance of our Company. Even if demand improves, it is difficult to predict whether any improvement represents a long-term improving trend or the extent or timing of improvement. There can be no assurance that historically improving cycles are representative of actual future demand.

In addition, our business is subject to seasonality. The third and fourth quarters tend to be the strongest sales periods in any given fiscal year as spending on LED lighting tends to increase during the festive season in India and shortly thereafter.

**25. *Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, results of operations and financial condition.***

Our operations are subject to various risks inherent to the design, manufacture and installation of our products, as well as other risks such as theft, robbery, acts of terrorism, fire, cargo and force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations.

The following table sets forth our total insurance coverage and such coverage as a percentage of our total assets on a proforma basis for the periods indicated.

Particulars	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total insurance coverage (in ₹ millions) (PPE)	265.88	259.16	272.53	186.26
Insurance coverage as a percentage of our total assets	43.17%	62.34%	91.42%	83.38%

Our insurance policies include business guard policy for fire, building, furniture and office equipment, stock and stock in progress, public liability, workmen compensation, conveyance, voyage, imports, group Medicare policy, accident and business travel policy. . There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "Our Business" on page 188.

**26. *If companies with products that we currently manufacture or may manufacture in the future do not continue to outsource manufacturing to electronics manufacturing companies in India, our sales could be adversely affected.***

We manufacture LED lighting, and we are focused sustainability and providing low energy LED products to help India meet its sustainability goals. Our LED lighting offering includes lighting, fittings, fixtures, accessories and components including LED strip lights and individual LED bulbs. We also manufacture alternating current ("AC") light strips, moulding and fan regulators. In addition, we manufacture an alternative to polyvinyl chloride ("PVC") piping called acrylonitrile butadiene styrene ("ABS") piping. The Indian electronic market is large, complex, and highly competitive, requires brands to be involved in all activities along the value chain, most brands focus on marketing and after-sales services, leaving

manufacturing to EMS providers. Inclination of brands to outsource manufacturing instead of building their own infrastructure is the driving factor for the growth of EMS market.

We believe that we have benefited from this outsourcing trend in large part due to our flexibility and ability to reduce costs in manufacturing these products. A customer's decision to outsource is affected by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing. There can be no assurance that the customers will continue to outsource or increase the share of outsourcing.

If branded OEMs in electronics market do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions internally or because they use other providers of these services, our future growth could be limited our sales and operating results may suffer.

***27. The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects. We are subject to quality requirements and strict technical specifications and audits by our customers.***

All of our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001:2015 (quality management system), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety), all three valid until July 13, 2023. These certifications are typically valid for a period of three years from the date of decision with surveillance audits conducted once a year. Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products and also required to be maintained under certain purchasing agreements with our customers for specific products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, our customers might not be in a position to provide us with further business or we may be subject to further audit requirements and approvals from customers, which we might not get in a timely manner, or at all, our business and prospects may be adversely affected.

***28. Information relating to the installed manufacturing capacity of our four manufacturing facilities included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed capacity and capacity utilization of our four manufacturing facilities included in this Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer, Sapient Services Private Limited, in the calculation of the installed capacity and capacity utilization of our manufacturing facilities.

The installed capacity of the manufacturing facilities has been calculated by using the equipment manufacturer's rated maximum capacity for an installed equipment and adjusting it for the typical achieved capacity across a wide range of actual processes and batch sizes. Further, downtime between any batches due to product changeover related equipment cleaning, scheduled breaks, and material loading and unloading were taken into account to calculate the installed capacity during the year or period.

Industry players use different methodology for installed capacity and capacity utilization in accordance with their business model. The assumptions and estimates taken into account include that each manufacturing facility operates for 300 days in a year in one daily shift for installed capacity as notional capacity for capacity utilization. This methodology is consistent with industry practice.

Further, the requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. We often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed.

Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type.

For the capacity utilization for in the nine months ended December 31, 2022 and 2021 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, see "Our Business – Manufacturing --Capacity, Production and Capacity Utilization" on page 202. Although we have not experienced any significant disruptions at our manufacturing units in the past, we cannot assure you that there

will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

***29. The markets in which our customers compete are characterized by consumers and their rapidly changing preferences and other related factors including alternatives available at lower costs. If we are unable to keep up with the requirements of our customers in a timely manner or at all, it may adversely affect our business, results of operations and financial condition.***

A significant portion of our revenue is attributed to sales of the products in EMS verticals. The market in which we and our customers operate is characterized by rapidly changing technology, evolving industry standards, changing consumer preferences and demand for features, and constant product innovation. These conditions may also result in short product life cycles. Some of the customers for whom we manufacture products may also choose not to continue operations in India for many reasons which can also include customer preferences, among others.

If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Therefore, risks that could harm the customers of our industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products. If our customers' technologies become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales to such customers, operating margins depending on the nature of the product, and all of these combined may gradually result in a loss of customers including key ones. However, there can be uncertainty regarding the development and production of these products as planned and failure to anticipate or respond rapidly to advances in technology can have a material adverse effect on our business, results of operations and financial condition.

Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins or loss of market share, any of which would have a material adverse effect on our business, results of operations and financial condition. We cannot assure you that our other customers would take similar actions such as cease to have operations in India which may affect our business.

***30. We require regulatory approvals and licenses for the purpose of our business. Our inability to obtain such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, or maintaining the required filings and registers under such required laws, may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.***

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business and also to maintain registers and updated filings under various provisions of law. Further, certain approvals, licenses and permits are valid for a certain period and are required to be renewed at regular intervals in accordance to the timelines prescribed under the relevant statutes or as may be provided under the terms of such approvals, licenses and/or permits. We need to apply for certain approvals, including the renewal of approvals that expire from time to time, in the ordinary course of our business. Any inability to receive or ability to renew such approvals in the time frames prescribed under law or as may be required for the purpose of the business or not maintaining the required registers or updated filings, could adversely affect our business and result in closure of manufacturing facilities and/or the application of penalties. If we do not obtain, renew or maintain the regulatory approvals required to operate our business, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

Further, the approvals required by our Company are subject to certain conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with terms or condition thereof, or pursuant to any regulatory action.

For details of applicable regulations and approvals relating to our business and operations, as well as pending approvals, see "Government and Other Approvals" on page 471.

***31. There are pending litigation against our Company, Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

Certain legal proceedings involving tax matters are pending against our Company at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiaries and Directors, as disclosed in “*Outstanding Litigation and Material Developments*” on page 467 in terms of the SEBI ICDR Regulations as of the date of this Red Herring Prospectus is provided below.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in million) (to the extent quantifiable)
<b>Company</b>						
By the Company	Nil	5	Nil	Nil	Nil	2.32
Against the Company	Nil	1	Nil	Nil	Nil	25.10
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By the Subsidiaries	Nil	1	Nil	Nil	Nil	1.11
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil

For further information, see “*Outstanding Litigation and Material Developments*” on page 467.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no liability will arise out of these proceedings. Our Company is in the process of litigating these matters, and based on the assessment in accordance with applicable accounting standard, our Company has presently not made provision for any of the pending legal proceedings. Further, such proceedings could divert management time and attention, and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with the Company. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

**32. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business. Further, our failure to manage growth effectively may adversely impact our business, results of operations and financial condition.**

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Expand into new product lines;
- Expand our manufacturing capacities for our existing and new product lines;
- Diversify our customer base and expand across geographies;
- Continue to invest in R&D and expand our ODM business; and
- Continue to focus on sustainability through ESG investments.

The aforesaid strategies are subject to certain risks and uncertainties. Our strategies may not succeed due to various factors, many of which are beyond our control, including our inability to reduce our debt and our operating costs, our failure to develop new products with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our suppliers and technology and strategic partners, our failure to effectively market our new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality engineering and consistency in our operations or to ensure scaling of our operations to correspond with our strategies and customer demand, changes in laws and regulations in India, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. Further, for any reason, in the event the benefits we realize are less than our estimates or the implementation of these strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. For further details of our strategies, see “Our Business” on page 188.

In addition, our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, results of operations and financial condition.

***33. We face foreign exchange risks that could adversely affect our results of operations as a portion of our revenue and expenditure is denominated in foreign currencies.***

We have material exposure to foreign exchange related risks since a portion of our revenue from operations are in foreign currency, including the US Dollar. During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, our sales from exports on a proforma consolidated basis were ₹493.10 million, ₹351.97 million, ₹86.95 million, and ₹90.64 million, respectively, which constituted 15.00%, 10.61%, 4.07% and 4.12%, respectively, of our revenue from operations on a proforma consolidated basis. (We had no exports On a Restated Consolidated Basis in those periods.) Similarly, a portion of our expenses, cost of any imported raw material and other operating expenses as well as certain of our capital expenditure on equipment imported are denominated in US Dollar and other foreign currencies.

The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations.

We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. We do not have a hedging policy, and, to date, we have not entered into hedging activities nor entered any forward contracts for our foreign currency positions. While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations.

There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Further, certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, we had foreign exchange gains of ₹31.90 million, ₹14.85 million, ₹3.94 million and (₹0.04 million), respectively. These gains were related to instances where the market exchange rate at

the time of transaction was in our favour or against us as compared to the rates we had applied when the transactions were accounted. Further, we do not enter into hedging arrangements, such as, forward exchange contracts. Accordingly, we cannot assure you of the sufficiency of these procedures or whether the procedures we have in place will be successful in managing our foreign currency exposure. For details of a sensitivity analysis for a change in foreign currency rates, see “Financial Statements – Note 48: Financial Risk Management Objectives and Policies” on page 309.

**34. Our inability to maintain, protect and enforce our intellectual property rights, could adversely affect our business, results of operations and financial condition.**

We rely on a combination of trademark, trade secret, and copyright law and contractual restrictions to protect our intellectual property. As on date of this Red Herring Prospectus, our corporate logo is registered with the Trademark Registry. As on the date of this Red Herring Prospectus, our IP portfolio (either directly or indirectly through our Subsidiaries) consists of two registered trademarks (including the corporate logo of our Company under class 11) and two pending trademark applications. For details, see “Government and Other Approvals” on page 471. Our application may in the future be opposed, withdrawn, objected or are otherwise under dispute. If any of our unregistered intellectual property are registered in favour of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of intellectual property by third parties.

None of the Company nor any of its Subsidiaries sells any of our products under the “IKIO” brand. We have a related party that sells its own “IKIO” branded products in the United States. These sales under the “IKIO” brand may cause confusion in the U.S. market in respect of any of our “IKIO” branded products that we may decide to sell in the United States. This related party also owns the domains Ikio.com and IKIOledlighting.com which may also cause confusion in the market place including in India.

Our agreements with our employees and consultants who develop our products on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments; however, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, equipment, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, equipment, systems and processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, which could materially and adversely affect our business, results of operations and financial condition.

**35. Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.**

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as of December 31, 2022 as determined in accordance with Ind AS 37, as per the Restated Consolidated Financial Information:

(₹ in millions)	
Particulars	As at December 31, 2022
(a) Demand under Sales Tax for the year 2017-18 against pending C-Forms	25.10
(b) Corporate Guarantee	NIL
<b>Total</b>	<b>25.10</b>

For details, see “Financial Information – Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Statements– Note 38 – Contingent Liabilities and Other Commitments” on page 295.

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as of December 31, 2022 as determined in accordance with Ind AS 37, as per the Proforma Consolidated Financial Information:

(₹ in millions)	
Particulars	As at December 31, 2022
(a) Demand under Sales Tax for the year 2017-18 against pending C-Forms	25.10
(b) Corporate Guarantee Given	NIL
<b>Total</b>	<b>25.10</b>

For details, see “Financial Information – Proforma Consolidated Financial Information – Notes forming part of the Proforma Consolidated Financial Statements– Note 38 – Contingent Liabilities and Other Commitments” on page 379.

**36. Our international operations are subject to regulatory risks that could adversely affect our business, results of operations and financial condition.**

During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, we sold our products internationally to the United States. During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, our sales from exports on a proforma consolidated basis were ₹493.10 million, ₹351.97 million, ₹86.95 million, and ₹90.64 million, respectively, which constituted 15.00%, 10.61%, 4.07% and 4.12%, respectively, of our revenue from operations on a proforma consolidated basis. We had no exports On a Restated Consolidated Basis in those periods. As part of our strategy, we intend to expand our international business.

Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. Any developments in the industries in which our customers operate could have an impact on our international business revenues. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products.

We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have a material adverse effect on our business, results of operations and financial condition.

**37. Our business may be adversely affected if we are unable to maintain and grow our brand image. In particular, our failure to maintain certain licenses or certifications may negatively impact our brand and reputation.**

Our brand in respect of our LED lighting solutions is one of our most important assets, and we believe our brand and reputation are significant in attracting customers to our products and services. We also believe that continuing to develop our reputation and awareness of our brand through focused and consistent business development initiatives among our customers is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

Although we take many steps to increase awareness of our products and protect the value of our brand through marketing and promotion, our business is dependent on customers’ perception of our reputation and brand and such marketing campaigns. If we adopt unsuccessful marketing programs or are otherwise unable to maintain our customer relationships, we may only incur expenses without the benefit of higher revenues. Our competitors also may launch promotional activities, which may increase their brand visibility and we may not be able to match them. Further, we may not be able to invest adequately in marketing or customer engagement which could lead to loss of customers to competitors. If we fail to preserve the value of our brands, maintain our reputation, or attract consumers to our products, or provide good after-sale services to our customers, our business, results of operations and financial condition could be adversely impacted. In addition, our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.

Further, our reputation and brands could be damaged by negative publicity in traditional or social media or by claims or perceptions about the quality of products and solutions, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation, regulatory actions or negative publicity, whether isolated or recurring and whether



originating from us or otherwise, affecting our business or suppliers, can significantly reduce our brand value and consumer trust, and accordingly, adversely affect our business, results of operations and financial condition.

**38. *Governmental policies could change or expected changes could fail to materialize which could adversely affect our business, financial condition and results of operations.***

Government policy can develop rapidly in the markets we serve, including India. Within the last few years, significant developments have taken place, primarily in the Indian market and the international markets that we serve with respect to energy policy and related regulations. Environmental protection policies, legislation and regulation greatly influences our customers expenditures on our products. We anticipate that energy policy will continue to be an important regulatory priority globally, as well as on a national, state, and local level. As environmental policy continues to evolve, the existing rules and incentives that impact the energy-related segments of our business, may change. It is difficult, if not impossible, to predict what change in energy policy might occur in the future and the timing of potential changes and their impact on our business, including potential changes that could originate from the GoI and other countries. The elimination or reduction of favourable environmental related policies for our energy-saving products and solutions, or the failure to adopt expected policies that would benefit our business, could negatively impact our business, financial condition and results of operations.

**39. *We have incurred significant capital expenditure during the last three Fiscal Years and nine months ended December 31, 2022 . We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, we incurred capital expenditure (including right of use assets) On a Restated Consolidated Basis of ₹99.13 million, ₹42.46 million, ₹33.18 million and ₹39.69 million, respectively, aggregating to 4.12%, 1.93%, 2.08% and 2.82% of our revenue from operations respectively. During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, we incurred capital expenditure (including right of use assets) on a proforma consolidated basis of ₹206.15 million, ₹124.60 million, ₹132.51 million and ₹351.84 million, respectively, aggregating to 6.27%, 3.75%, 6.21% and 15.97% of our revenue from operations respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing capacities and R&D activities. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. In addition, we expect to increase our expenditure from the objects of the Offer. For further information, see “Objects of the Offer” on page 101.

In the future, we may require substantial capital for our business operations and planned capital expenditure to maintain and grow our existing infrastructure, purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and any investment in our Company and could adversely impact our future Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Our ability to raise debt financing on acceptable terms also depends on our credit ratings. For further information on the risks associated with credit ratings, see “Any downgrade of our debt ratings could adversely affect our business.” We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

**40. *Failure or disruption of our IT, manufacturing automation systems and/or ERP systems may adversely affect our business, results of operations and financial condition.***

We have implemented various information technology (“IT”), enterprise resource planning (“ERP”) solutions to cover key areas of our operations, R&D, quality control, procurement, dispatch and accounting. We also have various automation

systems and software that automate our manufacturing and production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT, ERP or manufacturing automation 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. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT, manufacturing automation systems and/or ERP systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

***41. We are dependent on third parties for the supply of utilities, such as water, gas and electricity, at our manufacturing facilities and any disruption in the supply of such utilities could adversely affect our manufacturing operations.***

Our business is dependent on the delivery of an adequate and uninterrupted supply of electricity, water, diesel and at a reasonable cost. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our restated power and fuel expenses were ₹20.33 million, ₹13.12 million, ₹9.28 million and ₹8.97 million, which represented 1.03%, 0.72%, 0.70% and 0.76%, respectively, of our restated total expenses. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our proforma consolidated power and fuel expenses on a proforma consolidated basis were ₹34.46 million, ₹35.51 million, ₹23.39 million and ₹26.02 million, which represented 1.30%, 1.34%, 1.34% and 1.36%, respectively, of our proforma consolidated total expenses. We procure utilities, such as water, welding gases, and electricity, from third parties for use at our manufacturing facilities. Reliance on third parties for such utilities exposes us to risks such as shortage or breakdown in supply, the correction of which is in the hands of such third parties. In the past, we have not experienced any outages that had a material impact on our operations or our results of operation or financial condition. Any interruption in the continuous supply of water, gas and electricity may negatively impact our manufacturing processes, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. In case of the unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

***42. The objects of the Offer include orders for plant and machinery which have not yet been placed. Further, we are yet to place orders for capital expenditures. In the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary.***

The objects of the Offer include orders for plant and machinery which have not yet been placed. Accordingly, orders worth ₹1,011.12 million (excluding contingency costs), which constitutes approximately 41.91% of the total estimated costs (excluding contingency costs) in relation to Proposed Expansion, are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. Further, the costs of such plant and machinery may escalate or vary based on external factors which may not be in our control. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see “*Objects of the Offer*” on page 101. The actual costs of such plant and machinery may be subject to change due to factors beyond our control.

In addition, we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors, including our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design and other external factors which may not be within the control of our management. Further, we have not entered into any definitive agreements with such civil contractor and there can be no assurance that the same civil contractor would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations

Further, any deviation on the costs provided in the quotations will be subject to applicable law. However, we may have to revise our funding requirements and deployment on account of a variety of factors such as our business and financial condition and market conditions, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the Proposed Expansion, incremental pre-operative expenses and other external factors such as any changes in the business environment and interest or exchange rate fluctuations, which may not be within our control.

The tentative timeline for the completion of the Proposed Expansion is as follows:

S. No	Particulars	Actual / Estimated Commencement Date	Expected completion date#
1.	Land acquisition	Land acquired (Lease deed dated 24-December-2018 entered with Okhla industrial development authority)	N.A
2.	Site development and civil and structural works	November 2022	March 2025
3.	Procurement of Plants and machineries	May 2023	October 2023
4.	Procurement of Utilities and others	May 2023	September 2023
5.	Procurement of Electrical and construction supervision	May 2023	March 2025
6.	Installation of Plant and Machineries	June 2023	December 2023
7.	Erection of Utilities and others	June 2023	October 2023
8.	Erection of Electricals	November 2023	March 2025
9.	Trial run	November 2023	December 2023
10.	Commencement of commercial production	January 2024	N.A.

# Subject to receipt of proceeds from the IPO in the May 2023.

**43. We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our Subsidiary, IKIO Solutions Private Limited (“IKIO Solutions”) and for repayment/ prepayment, in full or part, of certain borrowings availed by our Subsidiaries and we cannot assure you that we will be able to derive the benefits from the proposed object.**

We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our Subsidiary, IKIO Solutions and repayment / prepayment, in full or part, of certain borrowings availed by our Subsidiaries, Royalux Exports Private Limited, Royalux Exports Private Limited, Fine Technologies (India) Private Limited and IKIO Solutions Private Limited. Since September 12, 2022, our Company owns 100% of the equity shareholding of our Subsidiaries. As our Company did not own 100% of the equity shareholding of our Subsidiaries during Fiscal 2022, Fiscal 2021 and Fiscal 2020, the Restated Consolidated Financial Information does not include financial information for the Subsidiaries prior to their acquisitions by our Company. Further, please, see “*Objects of the Offer*” on page 101, for the brief financials of our Subsidiaries whose debt is intended to be repaid out of the Net Proceeds and wherein portion of the Net Proceeds are to be utilised towards funding the capital expenditure.

For the brief financials of IKIO Solutions Private Limited, see “*Objects of the Offer- IKIO Solutions Private Limited*” on page 105.

**44. Our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries and Joint Ventures.**

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

**45. We currently avail benefits under certain export promotion schemes. Any change in these benefits applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.**

We currently avail benefits under the Merchandise Exports from India Scheme under the Foreign Trade Policy of India and Duty Drawback, which allow us duty free import of certain inputs used for manufacturing and availing duty drawbacks. For instance, in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our export

incentive was NIL, ₹0.24 million, NIL and ₹0.01 million respectively, On a Restated Consolidated Basis. Further, in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our export incentive was ₹0.76 million, ₹1.51 million, ₹1.37 million and ₹1.66 million respectively, on a proforma consolidated basis. We benefit from export incentives under other export promotion scheme, including RodTep. If these export incentives are withdrawn, or there is a delay in disbursements of benefits under such schemes, our business, and cash flow may be adversely affected. In addition, our business, results of operations and financial condition may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits. For further information on our tax benefits, see our “*Statement of Special Tax Benefits*” on page 130.

**46. *We engage contract labour for carrying out certain business operations.***

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing facilities as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition

**47. *Failure to maintain confidential information of our customers could adversely affect our results of operations or damage our reputation.***

We enter into confidentiality agreements and non-disclosure agreements with our customers. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers’ confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, results of operations and financial condition. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

**48. *An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.***

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees. As of December 31, 2022, we had restated total outstanding borrowings of ₹1,363.27 million comprising of non-current borrowings of ₹210.49 million and current borrowings of ₹1,152.78 million. As of December 31, 2022, we had proforma consolidated total outstanding borrowings of ₹1,363.27 million comprising of non-current borrowings of ₹210.49 million and current borrowings of ₹1,152.78 million. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and entering into forward contracts, swaps, options, or other liability management contracts in respect of short term facilities. We have received the necessary consents from our lenders for this Offer. For details, see “*Financial Indebtedness*” beginning on page 465.

As on December 31, 2022, our restated total secured borrowings amounted to ₹905.57 million, comprising of 66.43% of our restated total indebtedness. As on December 31, 2022, our proforma consolidated total secured borrowings amounted to ₹905.57 million, comprising of 66.43% of our proforma consolidated total indebtedness. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce

the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements, the creation of additional encumbrances that are not waived by our lenders or guarantors or otherwise cured, the occurrence of a material adverse event that could lead to an event of default and consequent termination of our credit facilities, or a demand for repayment of our unsecured borrowings that may be recalled at any time could adversely affect our business, results of operations, financial condition and cash flows.

***49. Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.***

Our Company has availed unsecured loans from our Promoter, Chairman and Managing Director, Hardeep Singh, which may be recalled at any time. On a restated consolidated basis and a proforma consolidated basis as of January 31, 2023, unsecured loans of ₹241.35 million and ₹47.04 million were outstanding from our Promoters, Hardeep Singh and Surmeet Kaur, respectively. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled at any time. In the event that any lender seeks repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. For further details of our unsecured loans, please read Note 22 of the Restated Consolidated Financial Information appearing on page 288. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

***50. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.***

Our total revenue from operations and profit after tax on a proforma consolidated basis (i) for Fiscal 2022 was ₹3,318.40 million and ₹505.16 million, respectively, and (ii) for the nine months ended December 31, 2022 was ₹3,286.27 million and ₹513.47 million, respectively. The market capitalization to revenue (Fiscal 2022) multiple is [●] times and price to earnings ratio (based on Fiscal 2022 profit after tax for the year) is [●] at the upper end of the Price Band. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in the section titled “Basis of Offer Price” on page 120 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

Investors are advised to refer to the comparison of accounting ratios with listed industry peers mentioned in the chapter titled “Basis of Offer Price” on page 120. It may be noted that while the peer companies are broadly comparable to our Company, each of the peers have different stages of growth, leverage, customer profiles, product profiles and are larger than our Company. Investors should consider these factors while using the peers for comparison.

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. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and international markets, regulatory amendments, strategic alliances, COVID-19 related or similar situations, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

***51. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.***

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the past, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such

misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

***52. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines.

We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration paid to our Directors. For further information, see “*Financial Information*” on page 250. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may have with our related parties could potentially involve conflicts of interest which may be detrimental to us. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

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

Our Promoters, certain of our Directors and Key Managerial Personnel, while managing the day to day operations, may be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management – Interest of Directors*” and “*Our Management – Interest of Key Managerial Personnel*” on page 227 and 238. While our Promoters, Directors and Key Managerial Personnel believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same.

***55. After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company.***

Currently, our Promoters own approximately 100% of our outstanding Equity Shares. Following the completion of the Offer, our Promoters will continue to hold a large majority of our post-Offer Equity Share capital which will allow them to exercise significant control over the outcome of the matters submitted to our shareholders for approval. For details of their shareholding pre- and post- Offer, see “*Capital Structure*” on page 91. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult without the support of these shareholders. In addition, these Shareholders have the ability to exercise influence over our business, and may cause us to take actions that are not in, or may conflict with, our or our other shareholder’s best interests, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy, strategic acquisitions and fund raising activities. The interests of our significant shareholders could conflict with our interests or the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

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

Our Company has, by way of a resolution of the Board of Directors dated September 14, 2022, adopted a formal dividend distribution policy. However, our Company has not paid any dividend in the nine months ended December 31, 2022 or in Fiscal 2022, Fiscal 2021 and Fiscal 2020, and until the date of this Red Herring Prospectus. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend declared by us in the past, see “*Dividend Policy*” on page 249.

***57. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations and financial condition.***

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 101 of this Red Herring Prospectus. The amount proposed to be deployed from Net Proceeds to establish the new facility at Noida by our wholly owned Subsidiary, IKIO Solutions Private Limited, is ₹2,123.11 million, as per the DPR issued by Sapient Services Private Limited. The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds, for the proposed facility, as described herein are based on our current business plan, internal management estimates, current and valid quotations from suppliers / vendors, and other commercial and technical factors. However, such estimated cost and related fund requirements have not been appraised by any bank or financial institution. Further, we plan to utilise a portion of the Net Proceeds towards repayment/ prepayment, in full or part, of certain borrowings availed by our Company on consolidated basis.

The deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Further, while our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the sale of Equity Shares pursuant to Offer for Sale by the Selling Shareholders. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business, results of operations and financial condition.

Any variation in the planned use of the Net Proceeds would require Shareholders’ approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects of the Offer, at such price, and in such manner, in accordance with our Articles of Association, Companies Act and the SEBI ICDR Regulations.

***58. Certain sections of this Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the***

***Offer is subject to inherent risks.***

Certain sections of this Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors or Promoters. We have commissioned and paid for this F&S Report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Red Herring Prospectus indicates the F&S Report as its source. Accordingly, any information in this Red Herring Prospectus derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

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. While we have assumed responsibility for the contents of the report and have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Red Herring Prospectus based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See “*Industry Overview*” on page 134. For the disclaimers associated with the F&S Report, see “*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*” on page 19.

***59. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale after deducting the Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale. Other than the listing fees (which shall be borne by our Company), the Offer related expenses shall be shared amongst our Company and the Selling Shareholders in the proportion with the amount pertaining to Fresh Issue and Offer for Sale in the Offer. In case our Company withdraws the Offer in the future, the said expenses shall be shared between the Selling Shareholders and our Company in proportion with the respective amount proposed to be raised.

**External Risks:**

***60. 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 or perceived 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. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India’s economy could be adversely affected by a general rise in interest rates or inflation, 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 and exchange rate fluctuations 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, financial condition, results of operations and prospects.

Further, 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 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 application of GST; 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 or its financial services sectors.

***61. Our business, results of operations and financial condition may be affected by global economic conditions and the geographies to which we cater.***

Our business depends substantially on global economic conditions. Our international customers may be adversely impacted may be adversely impacted by the economic downturn in their national or regional economies, disruption in their banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

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

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations and financial condition and prospects may be adversely affected.

***62. Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements.

For instance, , in order to rationalize and reform labour laws in India, the Government of India has introduced four labour codes which are yet to come into force as on the date of this Red Herring Prospectus, namely (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (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 and increase

our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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 impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**63. *A slowdown in our exports due to tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.***

A portion of our revenue is derived from our international business. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries or regions (like the United States or the European Community) where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers or international sanctions may have an adverse effect on our business, financial condition and results of operations.

**64. *Natural calamities, climate change and health epidemics and pandemics such as COVID-19 in India could adversely affect our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.***

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in Gujarat. Any of these natural calamities could adversely affect our business, results of operations and financial condition.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See “*The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*” on page 48.

Our operations including our manufacturing facilities in India may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team’s ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, results of operations and financial condition.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, results of operations and financial condition. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. Further, there have been continuing

border disputes between India and China. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions also could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia and the Middle East, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

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

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, results of operations and financial condition.

***66. Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Consolidated Financial Statements prepared and presented in accordance with Ind-AS contained in this Red Herring Prospectus.***

Our Restated Consolidated Financial Statements and as of, and for the nine month period ended December 31, 2022, and as of, and for the years ended, March 31, 2022, 2021 and 2020, have been prepared and presented in accordance with Ind-AS. The Ind-AS accounting principles differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Red Herring Prospectus including our Restated Consolidated Financial Statements. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

***67. The Indian tax regimes are currently undergoing substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Our business, results of operations and financial condition could be adversely affected by any change in the extensive central and state tax regime in India as applicable to us and our business.

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

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

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("DDT"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax

treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, we 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 business, financial condition, results of operations and cash flows. The Government of India has announced the Union Budget for Fiscal 2024, pursuant to which the Finance Bill, 2023, introduced various amendments to taxation laws in India. The Finance Bill, 2023 received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business and operations or on the industry in which we operate.

**68. *Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, results of operations and financial condition.***

In November 2016, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy debt burden as the most significant constraints on its rating and recommended the implementation of reforms and containment of deficits. Standard & Poor's affirmed its outlook on India's sovereign debt rating to "stable", while reaffirming its "BBB-" rating. In May 2017, Fitch, another international rating agency, affirmed India's sovereign outlook to "stable" and affirmed its rating as "BBB-" but reaffirmed it to "BBB" rating with a "negative" outlook in June 2020. In November 2017 Moody's Investors Service ("**Moody's**") upgraded the Sovereign Credit Rating of India to Baa2 from Baa3 and changed the outlook on the rating to stable from positive. On June 1, 2020, Moody's downgraded India's sovereign rating to the lowest investment grade and maintained the outlook from stable to negative. This is a result of the pandemic, which has exacerbated India's weak fiscal setting. In October 2021, S&P Global affirmed its BBB-long-term sovereign ratings on India with a stable outlook and Moody's affirmed India's sovereign rating of Baa3 with a stable outlook. Prior to the onset of the pandemic, India's GDP growth slowed on account of existing vulnerabilities such as a weak financial sector and subdued private investment. Going forward, the sovereign ratings outlook will remain dependent on whether the government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our business, results of operations and financial condition.

**69. *Our business may be adversely affected by competition laws in India.***

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, 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 customers 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.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

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 have a material adverse impact on our business, financial condition, results of operations and prospects.

**70. *Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain 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 the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on “*Restrictions on Foreign Ownership of Indian Securities*” on page 517.

### ***Risks Relating to the Equity Shares***

#### ***71. Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

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. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public’s reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company’s performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

#### ***72. Currency exchange rate fluctuations may affect the value of the Equity Shares.***

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Company’s Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company’s Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company’s Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company’s Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company’s market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Company’s results of operations and financial condition.

#### ***73. 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 price.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the Book Running Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including factors as described under “*Basis of Offer Price*” beginning on page 120 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 BRLM*” commencing on page 475. 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.

***74. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, we may be subject to payment of long term capital gains tax in India, in addition to payment of securities transaction tax (“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.

Further, any capital gains realized 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. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also 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. These amendments have come into effect from July 1, 2020.

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.

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

***permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and 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/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, or such other time period as required under the applicable laws, 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 Offer or cause the trading price of the Equity Shares to decline on listing.

***76. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

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

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

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

***78. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether

individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted.

***80. 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.

***81. Investors may have difficulty enforcing foreign judgments in India against us or our management.***

Substantially all of our directors and executive officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process on us or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom; however, no reciprocity has been established with the United States. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was 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 to repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.



## SECTION III – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

<b>Offer of Equity Shares <sup>(1)</sup></b>	Up to [●] Equity Shares, aggregating up to ₹ [●] million
<i>of which:</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹ 3,500 million
Offer for Sale <sup>(2)</sup>	Up to 9,000,000 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
<b>The Offer<sup>^</sup> comprises of:</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
<i>of which:</i>	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares
b. Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B. Non-Institutional Portion	Not less than [●] Equity Shares
<i>of which:</i>	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 0.20 million to ₹ 1 million	Up to [●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 1 million	Up to [●] Equity Shares
C. Retail Portion <sup>(5)</sup>	Not less than [●] Equity Shares
<b>Pre and post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer (as at the date of this Red Herring Prospectus)	65,000,000 Equity Shares
Equity Shares outstanding post the Offer	[●] Equity Shares
<b>Use of Net Proceeds</b>	See “Objects of the Offer” on page 101 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

- (1) *The Offer has been authorized by a resolution of our Board dated September 14, 2022, and the Fresh Issue has been authorized by a special resolution of our Shareholders dated September 16, 2022. Further, our Board and IPO Committee have taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to resolutions dated September 29, 2022 and May 1, 2023, respectively.*
- (2) *Each of the Selling Shareholders, 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 with SEBI, and are accordingly eligible for being offered for sale in the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders, have consented to participate in the Offer for Sale. The details of their respective Offered Shares are as follows:*

Name of the Selling Shareholders	Equity Shares offered in the Offer for Sale (up to)	Date of consent letter
Hardeep Singh	6,000,000	September 17, 2022.
Surmeet Kaur	3,000,000	September 17, 2022 and April 17, 2023

For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 475.

- (3) *Our Company in consultation with the Book Running Lead Manager may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB 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 498.*
- (4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable law. 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, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.*
- (5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated 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 of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1 million 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. The allocation to each Non-Institutional Investor shall not be less than Minimum NII Application Size subject to the availability of Equity Shares in Non-Institutional Investors’ category, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For further details, see “Offer Procedure” on page 498.*

For further details, including in relation to grounds for rejection of Bids, refer “Offer Procedure” on page 498. For further details of the terms of the Offer, see “Terms of the Offer” on page 488.

## SUMMARY FINANCIAL INFORMATION

*The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information. The summary financial information presented below may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with our Restated Consolidated Financial Information, the notes and annexures thereto and the section "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 406.*

### Restated Financial Statement of assets and liabilities

(in ₹ million)

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	303.38	168.45	153.93	149.97
Intangible assets	0.46	0.46	0.50	1.03
Right of use of assets	339.41	3.36	-	-
Capital work-in-progress	214.94	-	-	-
Goodwill	4.94	-	-	-
Financial assets				
(i) Other financial assets	10.11	1.63	0.86	0.77
Deferred tax assets (net)	6.97	4.15	4.11	1.38
Non-Current Tax asset (Net)	0.77	2.10	2.10	0.13
Other non-current assets	22.34	8.66	1.34	0.39
	<b>903.32</b>	<b>188.81</b>	<b>162.84</b>	<b>153.67</b>
<b>Current assets</b>				
Inventories	1,253.64	562.35	315.97	169.44
Financial assets				
(i) Trade receivables	731.93	259.69	156.38	46.40
(ii) Cash and cash equivalents	13.42	6.50	1.93	66.04
(iii) Bank balances other than cash and cash equivalents	12.27	-	0.01	0.49
(iv) Others	3.56	1.09	1.09	0.87
Other current assets	294.75	107.63	102.79	72.89
<b>Total current assets</b>	<b>2,309.57</b>	<b>937.26</b>	<b>578.17</b>	<b>356.13</b>
<b>Total</b>	<b>3,212.89</b>	<b>1,126.07</b>	<b>741.01</b>	<b>509.80</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	650.00	250.00	0.50	0.50
Other equity	616.15	514.41	482.66	276.02
	<b>1,266.15</b>	<b>764.41</b>	<b>483.16</b>	<b>276.52</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	210.49	11.08	20.88	26.57
(ii) Lease liabilities	76.80	1.91	-	-
Provisions	21.07	7.83	5.33	3.62
Deferred tax liability (net)	-	-	-	-
	<b>308.36</b>	<b>20.82</b>	<b>26.21</b>	<b>30.19</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	1,152.78	147.22	28.72	51.20
(ii) Lease liabilities	12.67	1.40	-	-
(iii) Trade payables				
- total outstanding dues of micro and small enterprises; and	100.18	34.20	16.01	0.78
- total outstanding dues of creditors other than micro and small enterprises	207.93	106.07	159.39	137.77
(iv) Other financial liabilities	85.80	30.51	16.09	10.64
Other current liabilities	48.30	4.13	9.74	2.60
Provisions	2.98	4.46	1.69	0.10
Current Tax Liabilities (net)	27.74	12.85	-	-
<b>Total current liabilities</b>	<b>1,638.38</b>	<b>340.84</b>	<b>231.64</b>	<b>203.09</b>
<b>Total liabilities</b>	<b>1,946.74</b>	<b>361.66</b>	<b>257.85</b>	<b>233.28</b>
<b>Total equity and liabilities</b>	<b>3,212.89</b>	<b>1,126.07</b>	<b>741.01</b>	<b>509.80</b>

**Restated Financial Statement of profit and loss**
*(in ₹ million, except earnings per Equity Share)*

Particulars	Nine month period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue</b>				
Revenue from operations	2,407.21	2,198.95	1,596.63	1,406.48
Other income	24.57	8.24	3.76	0.84
<b>Total revenue (I)</b>	<b>2,431.78</b>	<b>2,207.19</b>	<b>1,600.39</b>	<b>1,407.32</b>
<b>Expenses</b>				
Cost of materials consumed	1,586.71	1,523.50	1,052.30	954.01
Change in inventories	(9.13)	(68.06)	7.32	(10.39)
Employee benefits expenses	206.30	263.82	194.40	162.32
Finance costs	27.01	5.34	5.61	20.92
Depreciation and amortisation expenses	30.84	24.47	24.60	22.44
Other expenses	124.91	78.19	39.79	37.17
<b>Total expenses (II)</b>	<b>1,966.64</b>	<b>1,827.26</b>	<b>1,324.02</b>	<b>1,186.47</b>
<b>Profit before tax</b>	<b>465.14</b>	<b>379.93</b>	<b>276.37</b>	<b>220.85</b>
<b>Tax Expenses</b>				
Current tax	118.57	99.11	73.58	60.50
Deferred tax charge/ (credit)	0.81	(0.42)	(3.01)	(2.20)
Related to earlier years	(0.06)	1.14	-	2.62
	<b>119.32</b>	<b>99.83</b>	<b>70.57</b>	<b>60.92</b>
<b>Profit after tax</b>	<b>345.82</b>	<b>280.10</b>	<b>205.80</b>	<b>159.93</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
- Remeasurement of defined benefit plans	1.00	1.53	1.13	(0.04)
- Income tax relating to these items	(0.32)	(0.38)	(0.29)	0.00
<b>Other comprehensive income for the year, net of tax</b>	<b>0.68</b>	<b>1.15</b>	<b>0.84</b>	<b>(0.04)</b>
<b>Total comprehensive income for the year</b>	<b>346.50</b>	<b>281.25</b>	<b>206.64</b>	<b>159.89</b>
<b>Earnings per equity share (in Rs.):</b>				
Nominal value of Rs. 10 each (previous year Rs. 10 each)				
-Basic earnings per share	5.32	11.20	8.23	6.40
-Diluted earnings per share	5.32	11.20	8.23	6.40
Summary of significant accounting policies				

**Restated Financial Statements of Cash Flows Statements**
*(in ₹ million)*

	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>A. Cash flow from operating activities</b>				
Net profit before tax	465.14	379.93	276.37	220.85
<b>Adjustments for:</b>				
Depreciation and amortisation	30.85	24.47	24.60	22.44
Finance cost	27.01	5.34	5.61	20.92
Income other than operating income	(0.60)	(0.02)	(0.46)	(0.13)
(Profit)/loss on sale of property, plant & equipment	(0.10)	(0.15)	1.98	(0.09)
Balances Written Off	(3.35)	0.00	0.21	-
Provision for expected Credit Loss	0.85			
Other Comprehensive Income	-			(0.04)
<b>Operating profit before working capital changes</b>	<b>519.80</b>	<b>409.57</b>	<b>308.31</b>	<b>263.94</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	2.20	(246.38)	(146.53)	(85.41)
Trade receivables	(26.95)	(103.31)	(110.19)	38.76
Other financial assets	(18.93)	(0.76)	(0.32)	(1.00)
Other assets	(96.87)	(4.72)	(30.05)	(42.93)
<b>Adjustment for increase / (decrease) in operating liabilities:</b>				
Trade payables	(13.01)	(35.13)	36.86	35.42
Other financial liabilities	38.91	14.42	5.40	1.09
Other current liabilities	(43.16)	(5.61)	7.14	2.60
Provisions	(0.48)	6.79	4.43	2.45
<b>Cash generated from operations</b>	<b>361.51</b>	<b>34.87</b>	<b>75.05</b>	<b>214.92</b>
Taxes and interest thereon paid	(166.09)	(87.40)	(75.54)	(82.82)
<b>Net cash used in operating activities (A)</b>	<b>195.42</b>	<b>(52.53)</b>	<b>(0.49)</b>	<b>132.10</b>
<b>B. Cash flow from investing activities:</b>				
(Purchase)/Sale of PPE/ Intangible/ ROU Assets/CWIP	(94.18)	(45.59)	(30.83)	(38.78)
Movement in Bank Deposits	1.57	0.01	0.48	(0.13)
Interest income	1.25	0.02	0.46	0.13
Purchase of Investments	(319.34)	-	-	-
<b>Net cash used in from investing activities (B)</b>	<b>(410.70)</b>	<b>(45.56)</b>	<b>(29.89)</b>	<b>-38.78</b>
<b>C. Cash flow from financing activities:</b>				
Net (decrease)/increase in long term borrowings from banks	(7.06)	(9.80)	(5.69)	(63.69)
Net increase/(decrease) in short term borrowings from banks	184.41	118.50	(22.48)	38.23
Payment of lease liabilities	52.82	(0.89)	-	-
Net increase/(decrease) in short term borrowings from Directors	(6.81)			
Finance cost	(25.57)	(5.15)	(5.56)	(20.92)
<b>Net cash generated/(used in) from financing activities (C)</b>	<b>197.79</b>	<b>102.66</b>	<b>(33.73)</b>	<b>(46.38)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(17.47)</b>	<b>4.57</b>	<b>(64.11)</b>	<b>46.95</b>
<b>Cash and cash equivalents (refer to note 12)</b>				
-at beginning of the year	30.89	1.93	66.04	19.09
-at end of the year	<b>13.42</b>	<b>6.50</b>	<b>1.93</b>	<b>66.04</b>
<b>Notes to cash flow statement</b>				
<b>(i) Cash and cash equivalents comprise</b>				
Balances with banks:				
– On current accounts	9.39	6.25	1.70	65.82
Cash on hand	4.03	0.25	0.23	0.22

## SUMMARY OF PROFORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of the Proforma Consolidated Financial Information (to be read in conjunction with the “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations – Basis of Preparation of the Proforma Consolidated Financial Information*” on page 341) as at and for the years ended March 31, 2020, 2021 and 2022, to show the impact of the acquisition of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Exports Private Limited and Royalux Lighting Private Limited on our Company, as if the acquisition had been completed at a date prior to the first period presented therein. For further details, see “*Financial Information – Proforma Consolidated Financial Information*” on page 318; “*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*” on page 217 ; and “*Risk Factors - Our Proforma Consolidated Financial Information addresses a hypothetical situation and therefore, does not represent factual results of operations or financial condition*” on page 33.

### Summary Proforma Consolidated Balance Sheet

(₹ in million)

	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	303.38	254.68	224.78	216.98
Capital work-in-progress	214.94	93.69	40.79	5.19
Goodwill	147.07	-	-	-
Intangible assets	0.46	0.51	0.62	1.22
Right of use of assets	339.41	349.47	360.11	322.70
Financial assets				
(i) Other financial assets	10.11	5.49	3.46	3.05
Deferred tax assets (net)	6.97	17.40	18.06	8.89
Non current tax assets (net)	0.77	2.29	2.25	0.33
Other non current assets	22.34	40.62	9.99	7.14
	<b>1,045.45</b>	<b>764.15</b>	<b>660.06</b>	<b>565.50</b>
<b>Current assets</b>				
Inventories	1,253.64	1,097.74	578.53	371.84
Financial assets				
(i) Trade receivables	731.93	558.87	327.55	298.19
(ii) Cash and cash equivalents	13.42	21.80	32.83	77.59
(iii) Bank balances other than cash and cash equivalents	12.27	5.46	3.44	4.75
(iv) Other financial assets	3.56	4.08	3.18	5.94
Other current assets	294.75	196.55	138.91	124.45
<b>Total current assets</b>	<b>2,309.57</b>	<b>1,884.50</b>	<b>1,084.44</b>	<b>882.76</b>
<b>Total</b>	<b>3,355.02</b>	<b>2,648.65</b>	<b>1,744.50</b>	<b>1,448.26</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	650.00	250.00	0.50	0.50
Other equity	758.28	838.70	628.08	358.49
	<b>1,408.28</b>	<b>1,088.70</b>	<b>628.58</b>	<b>358.99</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	210.49	387.24	345.88	169.99
(ii) Lease liabilities	76.80	86.29	92.23	93.05
Provisions	21.07	17.84	14.38	10.19
	<b>308.36</b>	<b>491.37</b>	<b>452.49</b>	<b>273.23</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	1,152.78	678.39	347.70	298.62
(ii) Lease liabilities	12.67	9.24	7.86	6.31
(iii) Trade payables				
- total outstanding dues of micro and small enterprises; and	100.18	64.07	19.59	5.15
- total outstanding dues of creditors other than micro and small enterprises	207.93	168.05	211.44	319.54

	<b>December 31,2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
(iv)Other financial liabilities	85.80	85.66	41.21	163.86
Other current liabilities	48.30	18.10	22.93	22.25
Provisions	2.98	5.45	2.10	0.31
Current Tax Liabilities (net)	27.74	39.62	10.60	-
<b>Total current liabilities</b>	<b>1,638.38</b>	<b>1,068.58</b>	<b>663.43</b>	<b>816.04</b>
<b>Total liabilities</b>	<b>1,946.74</b>	<b>1,559.95</b>	<b>1,115.92</b>	<b>1,089.27</b>
<b>Total equity and liabilities</b>	<b>3,355.02</b>	<b>2,648.65</b>	<b>1,744.50</b>	<b>1,448.26</b>

**Summary Proforma Consolidated Statement of Profit and Loss**
*(in ₹ million, except earnings per Equity Share)*

	<b>Period ended December 31,2022</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Revenue</b>				
Revenue from operations	3,286.27	3,318.40	2,134.46	2,202.47
Other income	41.65	21.55	11.26	15.81
<b>Total revenue (I)</b>	<b>3,327.92</b>	<b>3,339.95</b>	<b>2,145.72</b>	<b>2,218.28</b>
<b>Expenses</b>				
Cost of materials consumed	2,091.53	2,096.34	1,213.83	1,392.39
Change in inventories	(69.88)	(174.23)	(9.70)	(0.21)
Employee benefits expenses	291.58	422.84	293.94	286.79
Finance costs	46.70	49.18	43.70	46.39
Depreciation and amortisation expenses	42.80	50.81	46.85	40.73
Other expenses	238.99	200.31	158.29	150.43
<b>Total expenses (II)</b>	<b>2,641.73</b>	<b>2,645.26</b>	<b>1,746.91</b>	<b>1,916.52</b>
<b>Profit before exceptional item and tax</b>	<b>686.19</b>	<b>694.69</b>	<b>398.81</b>	<b>301.76</b>
Prior period expenses/ (Income) (Net)		-	(0.00)	-
<b>Profit before tax</b>	<b>686.19</b>	<b>694.70</b>	<b>398.81</b>	<b>301.76</b>
<b>Tax Expense:</b>				
Current tax	162.59	187.92	120.92	92.81
Deferred tax charge/ (credit)	10.04	(0.14)	(10.17)	(7.76)
Related to Earlier Years	0.10	1.76	-	2.64
	<b>172.73</b>	<b>189.54</b>	<b>110.75</b>	<b>87.69</b>
<b>Profit after tax</b>	<b>513.47</b>	<b>505.16</b>	<b>288.06</b>	<b>214.07</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
- Remeasurement of defined benefit plans	1.25	3.13	3.54	(0.28)
- Income tax relating to these items	(0.39)	(0.80)	(1.01)	0.08
Other comprehensive income for the year, net of tax	0.86	2.33	2.53	(0.20)
<b>Total comprehensive income for the year</b>	<b>514.33</b>	<b>507.49</b>	<b>290.59</b>	<b>213.87</b>
<b>Earnings per equity share (in Rs.):</b>				
Nominal value of Rs. 10 each (previous year Rs. 10 each)				
-Basic earning per share	7.90	7.77	4.43	3.29
-Diluted earning per share	7.90	7.77	4.43	3.29
Summary of significant accounting policies				



# Summary Proforma Consolidated Statement of cash flows

(₹ in million)

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>				
Net profit before tax	686.19	694.70	398.81	301.76
<b>Adjustments for:</b>				
Depreciation and amortisation	42.80	50.82	39.39	40.74
Finance cost	46.70	49.18	43.70	46.39
Income other than operating income	(1.18)	(3.26)	(1.43)	(0.68)
(Profit)/loss on sale of property, plant & equipment	(0.37)	0.22	1.98	(10.64)
Balances Written Off	(6.96)	0.00	17.15	
Other comprehensive Income				(0.09)
Provision for Expected credit Loss	1.61	0.19	-	4.62
Deemed Equity		-	0.17	15.27
<b>Operating profit before working capital changes</b>	<b>768.79</b>	<b>791.85</b>	<b>499.77</b>	<b>397.37</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	(155.90)	(519.21)	(206.69)	(163.14)
Trade receivables	(174.67)	(231.32)	(45.90)	(36.42)
Other Non current financial assets	(4.62)	-	-	-
Other non current assets	18.29	-	-	-
Other financial assets	0.53	(2.99)	1.53	2.67
Other assets	(98.20)	(80.58)	(17.32)	(61.45)
<b>Adjustment for increase / (decrease) in operating liabilities:</b>				
Trade payables	75.98	1.10	(93.28)	66.76
Other financial liabilities	0.14	44.62	(122.69)	128.34
Other current liabilities	30.20	(9.45)	5.30	8.88
Provisions	8.60	7.17	9.01	4.36
<b>Cash generated from operations</b>	<b>469.15</b>	<b>1.19</b>	<b>29.73</b>	<b>347.37</b>
Taxes and interest thereon paid	(173.23)	(156.03)	(116.11)	(115.45)
<b>Net cash used in operating activities</b>	<b>295.92</b>	<b>(154.84)</b>	<b>(86.38)</b>	<b>231.92</b>
<b>B. Cash flow from investing activities:</b>				
(Purchase)/Sale of PPE/ Intangible/ Rou Assets	(200.47)	(91.71)	(63.87)	26.65
Movement in Bank Deposits	(6.81)	(2.02)	1.31	(4.38)
Acquisition of investment in subsidiaries	(147.07)	-	-	-
Interest income	1.18	1.65	1.42	0.76
Lease Liability		-	-	3.47
<b>Net cash used in from investing activities</b>	<b>(353.16)</b>	<b>(92.08)</b>	<b>(61.14)</b>	<b>26.50</b>
<b>C. Cash flow from financing activities:</b>				

	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Net (decrease)/increase in long term borrowings from banks	402.05	41.36	175.89	43.01
Net (decrease)/increase in borrowings from related parties	(104.41)	-	-	-
Net increase/(decrease) in short term borrowings from banks		330.69	49.08	73.08
Payment of lease liabilities	(14.43)	(17.26)	(54.84)	(229.79)
Finance cost	(40.14)	(76.72)	(45.14)	(46.39)
Share Capital / Capital Introduced / Capital Withdrawn	(194.20)	(42.18)	(22.23)	(45.16)
<b>Net cash generated/(used in) from financing activities</b>	<b>48.86</b>	<b>235.89</b>	<b>102.76</b>	<b>(205.25)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(8.38)</b>	<b>(11.03)</b>	<b>(44.76)</b>	<b>53.17</b>
<b>Cash and cash equivalents (refer to note 13)</b>				
-at beginning of the year	21.80	32.83	77.59	24.42
-at end of the year	<b>13.42</b>	<b>21.80</b>	<b>32.83</b>	<b>77.59</b>
<b>Notes to cash flow statement</b>				
<b>(i) Cash and cash equivalents comprise</b>				
Balances with banks:	9.39	18.44	32.02	76.56
– On current accounts	4.03	3.36	0.81	1.03
Cash on hand	<b>13.42</b>	<b>21.80</b>	<b>32.83</b>	<b>77.59</b>

## GENERAL INFORMATION

Our Company was incorporated as '*IKIO Lighting Private Limited*' under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the RoC on March 21, 2016. The name of our Company was subsequently changed to '*IKIO Lighting Limited*', upon conversion into a public company, pursuant to a board resolution dated January 3, 2022 and a shareholder resolution dated January 31, 2022, and a fresh certificate of change of name was issued on April 18, 2022 by the RoC.

**Corporate Identity Number:** U31401DL2016PLC292884

**Company Registration Number:** 292884

### Registered Office:

**IKIO Lighting Limited**

411, Arunachal Building  
19 Barakhamba Road, Connaught Place  
New Delhi – 110 001

### Corporate Office:

**IKIO Lighting Limited**

D – 234, Sector 63  
Noida – 201 301, Uttar Pradesh

For details in relation to the changes in the registered office of our Company, see “*History and Certain corporate Matters - Changes in our registered office*” on page 216.

### Address of the Registrar of Companies

Our Company is registered with the RoC situated at the following address:

The Registrar of Companies, Delhi and Haryana at New Delhi  
4th Floor, IFCI Tower  
61, Nehru Place  
New Delhi 110 019, India

### Board of Directors

Our Board comprises the following Directors as on the date of filing of this Red Herring Prospectus:

Name	Designation	DIN	Address
Hardeep Singh	Managing Director	00118729	J-12/76, Rajori Garden, New Delhi -110027
Surmeet Kaur	Whole-Time Director	00118695	J-12/76, Rajori Garden, New Delhi -110027
Sanjeet Singh	Whole-Time Director	08353656	F-1, F Block, Kirti Nagar, Ramesh Nagar, Delhi-110015
Chandra Shekar Verma	Independent Director	00121756	R/O C-4/4086, Vasant Kunj, New Delhi -110 070
Kishor Kumar Sansi	Independent Director	07183950	R/o B-301, Badhwar Apartments, Sector 6, Dwarka, New Delhi – 110 075
Rohit Singhal	Independent Director	05272543	BP-48, Shalimar Bagh, New Delhi -110088

For brief profiles and further details of our Directors, see “*Our Management*” on page 223.

### Company Secretary and Compliance Officer

Sandeep Kumar Agarwal is the Company Secretary and Compliance Officer. His contact details are as follows:

**IKIO Lighting Limited**

D – 234, Sector 63  
Noida – 201 301, Uttar Pradesh

**Telephone:** +91 120 – 4116186  
**E-mail:** secretarial@ikiolighting.com

### **Investor Grievances**

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) 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's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary(ies) where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Book Running Lead Manager giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

### **Book Running Lead Manager**

**Motilal Oswal Investment Advisors Limited**  
10th Floor, Motilal Oswal Tower, Rahimtullah, Sayani Road  
Opposite Parel S.T. Depot, Prabhadevi  
Mumbai-400025, Maharashtra, India  
**Telephone:** +91 22 7193 4380  
**E-mail:** ikio.ipo@motilaloswal.com  
**Investor Grievance ID:** moiaplredressal@motilaloswalgroup.com  
**Website:** www.motilaloswalgroup.com  
**Contact Person:** Ritu Sharma  
**SEBI Registration Number:** INM000011005

Motilal Oswal Investment Advisors Limited is the sole Book Running Lead Manager to the Offer, and accordingly, there is no inter se allocation of responsibilities in the Offer.

### **Syndicate Members**

**Motilal Oswal Financial Services Limited**  
Motilal Oswal Tower, Rahimtullah, Sayani Road  
Opposite Parel ST Depot, Prabhadevi  
Mumbai 400 025, Maharashtra, India  
**Tel:** +91 22 7193 4200 / +91 22 7193 4263  
**E-mail:** ipo@motilaloswal.com; santosh.patil@motilaloswal.com;  
**Website:** www.motilaloswalgroup.com  
**Contact Person:** Santosh Patil  
**SEBI Registration Number:** INZ000158836

#### **Legal Counsel to the Company as to Indian law**

**M/s. Crawford Bayley & Co.**

State Bank Building, 4th Floor

NGN Vaidya Marg

Fort, Mumbai – 400 023

Maharashtra, India.

**Telephone:** +91 22 2266 3353

#### **Legal Counsel to the Company as to International law**

**Dentons US LLP**

2000, McKinney Avenue, Suite 1900 Dallas,

Texas 75201, United States of America

**Telephone:** +1 214 259 0952

#### **Statutory Auditor to our Company**

**BGJC & Associates LLP**

Chartered Accountants, 202, 2nd Floor, Raj Tower-1,

Alaknanda, Delhi- 110019

**Telephone:** +91-11-26025140

**Email:** bgjc@bgjc.in

**Firm Registration Number:** 003304N/N500056

**Peer review number:** 013638

#### **Changes in Statutory Auditors**

Except as mentioned below, there has been no change in our statutory auditors in the three years preceding the date of this Red Herring Prospectus:

<b>Particulars</b>	<b>Date of change</b>	<b>Reason</b>
<b>BGJC &amp; Associates LLP</b> Chartered Accountants, 202, 2nd Floor, Raj Tower-1, Alaknanda, Delhi- 110019 <b>Telephone:</b> +91-11-26025140 <b>Email:</b> bgjc@bgjc.in <b>Firm Registration Number:</b> 003304N/N500056 <b>Peer review number:</b> 013638	November 30, 2021	Appointment as the statutory auditors of our Company.
<b>M/s Shiv Saroj and Associates</b> Chartered Accountants 414, Arunachal Building, 19 Barakhamba Road, Connaught Place – New Delhi 110001 <b>Telephone:</b> +91-23717200/23717800 <b>Email:</b> shivsaroj414@yahoo. <b>Firm Registration Number:</b> 019715N <b>Peer review number:</b> 013836	August 4, 2021	Resignation as the statutory auditors of our Company on account of pre-occupation.

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

**KFin Technologies Limited**

Selenium, Tower B, Plot 31 & 32, Gachibowli

Financial District, Nanakramguda Serilingampally

Hyderabad 500 032 Telangana, India

**E-mail:** ikiolighting.ipo@kfintech.com

**Investor Grievance E-mail:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Tel:** +91 40 6716 2222 | **Toll Free Number:** 1800 309 4001

**Contact Person:** M Murli Krishna

**SEBI Registration Number:** INR000000221

## **/Public Offer Account Bank/ Refund Bank**

### **HDFC Bank Limited**

FIG-OPS Department,

Lodha - I Think Techno Campus, O-3 Level

Next to Kanjurmarg Railway Station

Kanjurmarg (East), Mumbai – 400042

**Tel:** 022 30752927, 022 30752928, 022 30752914

**E-mail:** siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, vikas.rahate@hdfcbank.com, tushar.gavankar@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact Person:** Siddharth Jadhav, Eric Bacha, Vikas Rahate, Tushar Gavankar

**SEBI Registration Number:** INBI00000063

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

### **HDFC Bank Limited**

FIG-OPS Department,

Lodha - I Think Techno Campus, O-3 Level

Next to Kanjurmarg Railway Station

Kanjurmarg (East), Mumbai – 400042

**Tel:** 022 30752927, 022 30752928, 022 30752914

**E-mail:** siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, vikas.rahate@hdfcbank.com, tushar.gavankar@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact Person:** Siddharth Jadhav, Eric Bacha, Vikas Rahate, Tushar Gavankar

**SEBI Registration Number:** INBI00000063

### **Axis Bank Limited**

B21-B22, Sector-16, Noida, Uttar Pradesh-201301

**Tel:** + 91 9582800221

**E-mail:** noida.branchhead@axisbank.com

**Website:** www.axisbank.com

**Contact Person:** Somnath Sharma

**SEBI Registration Number:** INBI00000017

### **Banker to our Company**

<b>HDFC Bank Limited</b> HDFC Bank Limited, FIG- OPS Department- Lodha, I Think Techno Campus O-3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai- 400042 <b>Telephone:</b> + 91 (22) 30752927/28/2914 <b>Contact Person:</b> Siddharth Jadhav, Eric Bacha, Neerav Desai <b>Website:</b> www.hdfcbank.com <b>Email:</b> siddharth.jadhav@hdfcbank.com, eric.bacha@hdfcbank.com, neerav.desai@hdfcbank.com	<b>IndusInd Bank Limited</b> IndusInd Bank Limited, New Tower, Hyatt Regency Complex, Block A, Bhikaji Cama Place, R.K. Puram, New Delhi- 110066 <b>Telephone:</b> + 91 9873716648 <b>Contact Person:</b> Amit Malhotra <b>Website:</b> www.IndusInd.com <b>Email:</b> amit.malhotra@IndusInd.com
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### **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=35>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered

Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <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/2022/51 dated April 20, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

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](http://www.sebi.gov.in).

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any other website 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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any other website prescribed by SEBI from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Offer using the stock broker 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.

### **RTAs**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.a.spx?> And <https://www.nseindia.com/products/consent/equities/ipos/asba-procedures.htm>, or any 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, is provided on the website of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.a.spx?> And [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), or any 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 May 19, 2023 from the Statutory Auditor, namely, BGJC & Associates LLP, Chartered Accountant, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this 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 May 12, 2023 on the Restated Consolidated Financial Information; and (ii) their report dated April 07, 2023 on the statement of possible special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

In addition, our Company has received written consent dated May 17, 2023 from Sapient Services Private Limited, as chartered engineer to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated May 17, 2023, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company and estimated cost for the Proposed Project, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Monitoring Agency**

Our Company has appointed CRISIL Ratings Limited as the monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of this Red Herring Prospectus. Details of the Monitoring Agency are as follows:

#### **CRISIL Ratings Limited**

CRISIL House, Central Avenue,  
Hiranandani Business Park,  
Powai, Mumbai – 400076

**Phone:** 022 3342 3000

**Email:** Danish.jamali@crsil.com

**Website:** www.crisilratings.com

**Contact Person:** Danish Jamali

### **Appraising Entity**

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

### **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.

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

A copy of the Draft Red Herring Prospectus has been filed electronically through the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at [cfddl@sebi.gov.in](mailto:cfddl@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 this Red Herring Prospectus, along with the material documents and contracts required to be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Delhi and Haryana, at New Delhi, and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.



## 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 this Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company in consultation with the Book Running Lead Manager, and if not disclosed in this Red Herring Prospectus, will be advertised all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper (Hindi being the regional language of New Delhi where our Registered 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 the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/Offer Closing Date. For further details, see “Offer Procedure” on page 498

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Except for Allocation to RIBs, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

**The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.**

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law, and (ii) acknowledgment of the RoC for filing of the Prospectus with the RoC.

For further details on the method and procedure for Bidding, see “Offer Structure”, “Offer Procedure” and “Terms of the Offer” on pages 495, 498 and 488 respectively.

## Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” on page 498.

## Underwriting Agreement

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

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

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

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

The above-mentioned is indicative underwriting amount and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board / IPO Committee, will at its meeting accept and enter 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. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

## CAPITAL STRUCTURE

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

		Aggregate nominal value	Aggregate value at Offer Price <sup>(1)</sup>
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	100,000,000 Equity Shares of face value ₹10 each	1000,000,000	[●]
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	65,000,000 Equity Shares of face value ₹10 each	650,000,000	[●]
<b>C.</b>	<b>PRESENT OFFER</b>		
	Offer of up to [●] Equity Shares of face value ₹ 10 each <sup>(2)</sup>	[●]	[●]
	<i>Of which</i>		
	Fresh Issue of up to [●] Equity Shares of face value ₹ 10 each aggregating up to ₹ 3,500.00 million <sup>(2)</sup>	[●]	[●]
	Offer for Sale of up to 9,000,000 Equity Shares of face value ₹10 each aggregating up to ₹ [●] million <sup>(3)</sup>	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER<sup>(1)</sup></b>		
	[●] Equity Shares of face value ₹10 each	[●]	[●]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		Nil
	After the Offer <sup>(1)</sup>		[●]

(1) To be included upon finalization of the Offer Price.

(2) The Offer has been authorised by our Board pursuant to its resolution dated September 14, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated September 16, 2022. Further, our Board and IPO Committee have taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolutions dated September 29, 2022 and May 1, 2023, respectively.

(3) Each of the Selling Shareholders, severally and not jointly, confirms that the Offered Shares held by them respectively, are eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 73 and 475, respectively

For details of changes to our Company’s authorised share capital in the last 10 years, see “History and Certain Corporate Matters – Amendments to the Memorandum of Association” on page 216.

### Notes to the Capital Structure

#### 1. Share capital history of our Company:

##### (a) Equity share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment	No of Equity Shares	Face value (₹)	Issue price per equity shares	Nature of considerations	Reasons / nature of allotment	Name of allottees	Cumulative no of equity shares	Cumulative paid-up equity share capital (in ₹)
March 21, 2016	50,000	10	10	Cash	Initial subscription to MOA	30,000 Equity Shares to Hardeep Singh and 20,000 Equity Shares to Surmeet Kaur	50,000	500,000
July 17, 2021	24,950,000	10	NA	NA	Bonus issuance in the ratio of	14,970,000 Equity Shares to Hardeep	25,000,000	250,000,000

Date of allotment	No of Equity Shares	Face value (₹)	Issue price per equity shares	Nature of considerations	Reasons / nature of allotment	Name of allottees	Cumulative no of equity shares	Cumulative paid-up equity share capital (in ₹)
					499 Equity Shares for every 1 Equity Share held as on July 17, 2021	Singh and 9,980,000 Equity Shares to Surmeet Kaur		
September 17, 2022	40,000,000	10	NA	NA	Bonus issuance in the ratio of 8 Equity Shares for every 5 Equity Share held as on September 14, 2022	23,999,472 Equity Shares to Hardeep Singh, 16,000,000 Equity Shares to Surmeet Kaur, 160 Equity Shares to Harjeet Singh, 160 Equity Shares to Sanjeet Singh, 160 Equity Shares to Ishween Kaur, 16 Equity Shares to Kozhuppakalam Gopi Siju, 16 Equity Shares to Karukathara Peethambaran Prakash and 16 Equity Shares to Deepti Pokhriyal	65,000,000	650,000,000

## (b) History of Preference share capital

Our Company does not have any issued or outstanding preference share capital as on the date of this Red Herring Prospectus.

## 2. Equity shares issued for consideration other than cash or out of revaluation of reserves

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

Date of allotment	No of Equity Shares	Face value (₹)	Issue price per equity shares	Nature of considerations	Name of allottees	Reasons/nature of allotment	Benefits accrued to our Company
July 17, 2021	24,950,000	10	NA	NA	14,970,000 Equity Shares to Hardeep Singh and 9,980,000 Equity Shares to Surmeet Kaur	Bonus issuance in the ratio of 499 Equity Shares for every 1 Equity Share held as on July 17, 2021	-
September 17, 2022	40,000,000	10	NA	NA	23,999,472 Equity Shares to Hardeep Singh, 16,000,000 Equity Shares to Surmeet Kaur, 160 Equity Shares to Harjeet Singh, 160 Equity Shares to Sanjeet Singh, 160 Equity Shares to Ishween Kaur, 16 Equity Shares to Kozhuppakalam Gopi Siju, 16 Equity Shares to Karukathara Peethambaran	Bonus issuance in the ratio of 8 Equity Shares for every 5 Equity Share held as on September 14, 2022	-

Date of allotment	No of Equity Shares	Face value (₹)	Issue price per equity shares	Nature of considerations	Name of allottees	Reasons/nature of allotment	Benefits accrued to our Company
					Prakash and 16 Equity Shares to Deepti Pokhriyal		

### 3. Allotment of equity shares pursuant to schemes of arrangement

Our Company has not issued or allotted any equity shares pursuant to any schemes of arrangement approved under Sections 230 - 234 of the Companies Act, 2013.

### 4. Issue of equity shares at a price lower than the Offer Price in the last one year

Except as mentioned above under “*Capital Structure – Notes to Capital Structure*” on page 91, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

- Our Company has formulated an employee stock option scheme namely the “**ILL Employee Stock Option Scheme 2022**” (“**ESOP Scheme**”) pursuant to a resolution passed by the Board on September 14, 2022 and the Shareholders on September 16, 2022 with a maximum options pool of 2,250,000 options. The primary objective of the ESOP Scheme is to, *inter alia*, align employee gains with the Company’s performance, drive the performance of key employees, enhance Shareholders’ value, and for the retention, attraction and motivation of talent. The ESOP Scheme is in compliance with the SEBI SBEB Regulations with the Nomination and Remuneration Committee administering the ESOP Scheme. As of the date of this Red Herring Prospectus, no options have been granted and no Equity Shares have been issued under the ESOP Scheme.

### 6. Shareholding pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this 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 Equity Shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of Equity 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 Equity 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 Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class (Equity Shares)	Class (Others)	Total								
(A)	Promoter and Promoter Group	4	64,999,662	-	-	64,999,662	100	64,999,662	-	64,999,662	100	-	-	-	-	-	-	64,999,662
(B)	Public	4	338			338	Negligible	338	-	338	Negligible							338
(C)	Non Promoter-Non Public	-																
(C1)	Shares underlying DRs	-																
(C2)	Shares held by Employee Trusts	-																
	<b>Total</b>	<b>8</b>	<b>65,000,000</b>			<b>65,000,000</b>	<b>100</b>	<b>65,000,000</b>		<b>65,000,000</b>	<b>100</b>		<b>-</b>					<b>65,000,000</b>

## 7. Details of shareholding of the major Shareholders of our Company

As on the date of this Red Herring Prospectus, our Company has 8 Shareholders.

- a) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as on the date of this Red Herring Prospectus and as of 10 days prior to the date of this Red Herring Prospectus.

S. No.	Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage of pre-Offer Equity Share capital (%)
1.	Hardeep Singh	38,999,142	60.00%
2.	Surmeet Kaur	26,000,000	40.00%
	<b>Total</b>	<b>64,999,142</b>	<b>100.00%</b>

- b) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as of one year prior to the date of this Red Herring Prospectus.

S. No.	Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage of pre-Offer Equity Share capital (%)
1.	Hardeep Singh	14,999,670	60.00%
2.	Surmeet Kaur	10,000,000	40.00%
	<b>Total</b>	<b>24,999,670</b>	<b>100.00%</b>

- c) Set forth below are details of Shareholders holding 1% or more of the paid-up equity share capital of our Company as of two years prior to the date of this Red Herring Prospectus.

S. No.	Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage of pre-Offer Equity Share capital (%)
1.	Hardeep Singh	30,000	60.00%
2.	Surmeet Kaur	20,000	40.00%
	<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

## 8. Details of Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company

Except as disclosed in “Our Management – Shareholding of Directors in our Company” on page 227, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares in our Company.

## 9. Details of Shareholding of our Promoter, members of Promoter Group in our Company

As on the date of this Red Herring Prospectus, our Promoters collectively hold 64,999,142 Equity Shares aggregating to approximately 100% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

Pre-Offer							Post - Offer	
Date of allotment/ transfer/ acquisition of equity shares	No of Equity Shares	Face value (₹)	Issue/ Transfer/ Acquisition price per equity share(₹)	Nature of considerations	Nature of transaction	Percentage of Equity Share capital of the Company (%)	No. of Equity Shares	Percentage of Equity Share capital of the Company (%)#
<b>Hardeep Singh</b>								
March 21, 2016	30,000	10	10	Cash	Initial subscription to MOA	0.05	[•]	[•]
July 17, 2021	14,970,000	10	N.A.	N.A.	Bonus issuance in the ratio of 499 Equity Shares for every 1 Equity Share	23.03	[•]	[•]

Pre-Offer							Post - Offer	
Date of allotment/ transfer/ acquisition of equity shares	No of Equity Shares	Face value (₹)	Issue/ Transfer/ Acquisition price per equity share(₹)	Nature of considerations	Nature of transaction	Percentage of Equity Share capital of the Company (%)	No. of Equity Shares	Percentage of Equity Share capital of the Company (%)#
					held as on July 17, 2021			
October 4, 2021	(100)	10	N.A.	N.A.	Gift to Harjeet Singh	Negligible	[•]	[•]
October 4, 2021	(100)	10	N.A.	N.A.	Gift to Sanjeet Singh	Negligible	[•]	[•]
October 4, 2021	(100)	10	N.A.	N.A.	Gift to Ishween Kaur	Negligible	[•]	[•]
October 4, 2021	(10)	10	10	Cash	Transfer to Kozhuppakalam Gopi Siju	Negligible	[•]	[•]
October 4, 2021	(10)	10	10	Cash	Transfer to Deepti Pokhriyal	Negligible	[•]	[•]
October 4, 2021	(10)	10	10	Cash	Transfer to Karukathara Peethambaran Prakash	Negligible	[•]	[•]
September 17, 2022	23,999,472	10	N.A.	N.A.	Bonus issuance in the ratio of 8 Equity Shares for every 5 Equity Share held as on September 14, 2022	36.92	[•]	[•]
Sub-total (A)	<b>38,999,142</b>					<b>60.00</b>	[•]	[•]
<b>Surmeet Kaur</b>								
March 21, 2016	20,000	10	10	Cash	Initial subscription to MOA	0.03	[•]	[•]
July 17, 2021	9,980,000	10	N.A.	N.A.	Bonus issuance in the ratio of 499 Equity Shares for every 1 Equity Share held as on July 17, 2021	15.35	[•]	[•]
September 17, 2022	16,000,000	10	N.A.	N.A.	Bonus issuance in the ratio of 8 Equity Shares for every 5 Equity Share held as on September 14, 2022	24.62	[•]	[•]
Sub-total (B)	<b>26,000,000</b>					<b>40.00%</b>	[•]	[•]
Total (A+B)	<b>64,999,142</b>					<b>100.00</b>	[•]	[•]

# Subject to finalisation of Basis of Allotment.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged as of the date of this Red Herring Prospectus.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Red Herring Prospectus.



Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of this Red Herring Prospectus:

S. No.	Shareholder	Pre - Offer		Post - Offer	
		Number of Equity Shares of face value of ₹ 10 each	Percentage of Equity Share capital (%)	No. of Equity Shares	Percentage of Equity Share capital (%)#
1.	Ishween Kaur	260	Negligible	[●]	[●]
2.	Harjeet Singh	260	Negligible	[●]	[●]

# Subject to finalisation of Basis of Allotment.

**(a) Details of Promoters' contribution and lock-in for three years**

Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of three years as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment as a majority of the Net Proceeds are proposed to be utilized for capital expenditure such as civil work, miscellaneous fixed assets, building and plant and machinery, etc. For details of objects of the Offer, see "*Objects of the Offer*" at page 101.

(b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below\*:

Name of the Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)

\* To be included in the Prospectus.

(c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this 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. The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

(d) Our Company confirms 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, please note that:

- The Equity Shares offered for Minimum Promoter's Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and involving any revaluation of assets or capitalisation of intangible assets in such transaction, (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.
- 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.

- (iii) Our Company has not been formed by the conversion of one or more partnership firms or of a limited liability partnership firm into a Company.
- (iv) The equity shares held by the Promoters and offered for Minimum Promoters' Contribution are not subject to any pledge; and
- (v) All the equity shares held by the Promoters are held in dematerialised form.

#### **10. Details of equity share capital locked-in for six months**

In terms of Regulation 17 to 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: (a) the Promoters' Contribution which shall be locked in as above; b) any Equity Shares which may be allotted to the employees under ESOP Scheme pursuant to exercise of stock options held by such employees (whether currently employees or not); and (c) Offered Shares, which are successfully sold and transferred as part of the Offer for Sale.

- 11. There has been no acquisition of equity shares with any special rights including any right to nominate Directors on our Board, in the immediately preceding three years (including the immediately preceding one year) by our Promoters, the Selling Shareholders, members of the Promoter Group and Shareholders.

#### **12. 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 for a period of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

#### **13. 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.

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

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking 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 the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, terms of Regulation 16 of the SEBI ICDR Regulations, may be transferred to and amongst the members of our Promoter Group or a new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferees shall not be eligible to transfer them till the lock-in period stipulated under the SEBI ICDR Regulations has expired.

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

15. Except for any Equity Shares to be issued pursuant to the Fresh Issue, there is no proposal or intention, negotiations and consideration of our Company 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 (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.
16. 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 Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or refund of application monies.
17. Except as disclosed above, none of our Promoters, members of the Promoter Group and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus. For details of acquisitions by our Promoters and members of the Promoter Group during the period, please see “*Details of price at which specified securities were acquired in the three years preceding the date of this Red Herring Prospectus*” on page 99.
18. There have been no financing arrangements whereby our Promoters, members of the Promoter Group or our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.
19. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
20. As on the date of this Red Herring Prospectus, the Book Running Lead Manager, its associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The Book Running Lead Manager, its associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
21. **Details of price at which specified securities were acquired in the three years preceding the date of this Red Herring Prospectus**

The details of the price at which specified securities were acquired in the three years preceding the date of this Red Herring Prospectus, by our Promoters (also the Selling Shareholders), Promoter Group and Shareholders with the right to nominate a director or with other rights, are disclosed below:

S. No.	Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of Equity Shares acquired	Acquisition price per equity share <sup>^</sup> (in ₹)
<b>Promoters (also the Selling Shareholders)</b>				
1.	Hardeep Singh	July 17, 2021	14,970,000	Nil <sup>#</sup>
2.	Hardeep Singh	September 17, 2022	23,999,472	Nil <sup>#</sup>
3.	Surmeet Kaur	July 17, 2021	9,980,000	Nil <sup>#</sup>
4.	Surmeet Kaur	September 17, 2022	16,000,000	Nil <sup>#</sup>
<b>Promoter Group</b>				
5.	Ishween Kaur	October 04, 2021	100	Nil <sup>\$</sup>
6.	Ishween Kaur	September 17, 2022	160	Nil <sup>#</sup>
7.	Harjeet Singh	October 04, 2021	100	Nil <sup>\$</sup>
8.	Harjeet Singh	September 17, 2022	160	Nil <sup>#</sup>

<sup>#</sup>Pursuant to the issuance of bonus Equity Shares.

<sup>\$</sup>Pursuant to a gift from Hardeep Singh

<sup>^</sup> As certified by the Statutory Auditor by way of their certificate dated May 29, 2023.

As on the date of this Red Herring Prospectus, the Company does not have any shareholders entitled with right to nominate Directors or any other rights.

22. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and the members of the Promoter Group during the period between the date of this Red Herring Prospectus with SEBI and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
23. Our Company, the Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
24. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Red Herring Prospectus.
25. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
26. Except to the extent of the Offer for Sale by the Promoters, our Promoters and the members of our Promoter Group will not participate in the Offer.
27. No person connected with the Offer, including, but not limited to, the Book Running Lead Manager, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
28. Except as disclosed in this section, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities in terms of SEBI ICDR Regulations, since its incorporation

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

### Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. Further, the proceeds received from the Offer for Sale will not form part of the net proceeds, i.e., gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue (“**Net Proceeds**”). For details of the Selling Shareholders, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer Approvals from the Selling Shareholders*” on page 475.

For further details, see “*Objects of the Offer - Offer Expenses*” on page 117.

### Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

(₹ in million)

Particulars	Amount
Gross proceeds from the Fresh Issue	3,500.00*
(Less) Offer related expenses in relation to the Fresh Issue <sup>(1)(2)</sup>	[●]
Net Proceeds	[●]

\* Subject to full subscription of the Fresh Issue component.

(1) To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

(2) For details with respect to sharing of fees and expenses amongst our Company and the Selling Shareholders, please refer to the heading “– Offer Expenses” at page 117.

### Objects of the Fresh Issue

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

1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and its Subsidiaries on consolidated basis;
2. Investment in our wholly owned Subsidiary, IKIO Solutions Private Limited, for setting up a new facility at Noida, Uttar Pradesh; and
3. 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 including enhancement of our Company’s visibility, brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake (i) its existing activities, (ii) the activities proposed to be funded from the Net Proceeds, and (iii) the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised.

### Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

Particulars (In ₹ million)	Amount which will be financed from Net Proceeds <sup>(1)</sup>
Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and its Subsidiaries on consolidated basis	500.00

Particulars (In ₹ million)	Amount which will be financed from Net Proceeds <sup>(1)</sup>
Investment in our wholly owned Subsidiary, IKIO Solutions Private Limited, for setting up a new facility at Noida, Uttar Pradesh	2,123.11
General corporate purposes <sup>(1)</sup>	[●]
<b>Total</b>	<b>[●]</b>

(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.

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

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(In ₹ million)						
S. No.	Particulars	Total estimated cost	Amount already deployed <sup>(3)</sup>	Amount which will be financed from Net Proceeds	Estimated deployment	
					Fiscal 2024	Fiscal 2025
1.	Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and its Subsidiaries on consolidated basis	500.00	-	500.00	500.00	-
2.	Investment in our wholly owned Subsidiary, IKIO Solutions Private Limited, for setting up a new facility at Noida, Uttar Pradesh (“ <b>Proposed Project</b> ”);	2,628.75 <sup>(2)</sup>	505.63 <sup>(3)</sup>	2,123.11	1,711.23	411.88
3.	General corporate purposes	[●]	[●]	[●]	[●]	[●]
4.	<b>Total</b> <sup>(1)</sup>	[●]	[●]	[●]	[●]	[●]

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

(2) Total estimated cost, as per DPR dated May 17, 2023 issued by Sapient Services Private Limited, Independent Chartered Engineer in respect of the Proposed Project

(3) Total amount deployed through HDFC Bank Limited, unsecured loans and internal accruals and as on April 30, 2023, as per the certificate dated May 29, 2023 issued by our Statutory Auditors.

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, valid quotations received from third parties, certificate from an independent project consultant, current circumstances of our business, prevailing market conditions and other commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may also 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. For details, see “Risk Factors – We intend to utilise the Net Proceeds for funding our capital expenditure requirements and we are yet to place orders for a majority of such capital expenditure requirements. There is no assurance that we would be able to source such capital expenditure requirements in a timely manner or at commercially acceptable prices, which could adversely affect our expansion plans”, “Risk Factors – We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our wholly owned Subsidiary, IKIO Solutions Private Limited and we cannot assure you that we will be able to derive the benefits from the proposed object”. Also, management has discretion in how it may use a portion of the Net Proceeds of the Fresh Issue.

Subject to compliance with applicable laws, if the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards any other Object including general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects of the Offer, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of any 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, including from internal accruals, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects as may be determined by our Company, in accordance with applicable law. Our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Objects of the Offer, ahead of the estimated schedule of deployment specified above.

### **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 of the Fresh Issue**

#### **1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and its Subsidiaries on consolidated basis**

We have entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company and our Subsidiaries include borrowing in the form of, *inter alia*, vehicle loans, term loans and working capital facilities including fund based and non-fund-based borrowings. As at January 31, 2023, our total outstanding borrowings amounted on consolidated basis to ₹1,515.53 million, on a consolidated basis. For further details on our borrowings, see “*Financial Indebtedness*” on page 465. Our Company proposes to utilise an estimated amount of ₹500.00 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings availed by our Company and its Subsidiaries on consolidated basis. We may avail further loans and/or draw down further funds under existing loans from time to time.

Our Subsidiaries, Royalux Exports Private Limited, Royalux Lighting Private Limited, Fine Technologies (India) Private Limited and IKIO Solutions Private Limited, each pursuant to its board meetings dated September 29, 2022, have approved the reduction of the aggregate outstanding borrowings. Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company and our Subsidiaries, Royalux Exports Private Limited, Royalux Lighting Private Limited, Fine Technologies (India) Private Limited and IKIO Solutions Private Limited may, in accordance with the relevant repayment schedule, levy of any prepayment penalties and the quantum thereof, repay or refinance some of their existing borrowings or avail of additional credit facilities.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed will be based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹500.00 million.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in

part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹500.00 million.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness on a consolidated basis, debt servicing costs improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company and our Subsidiaries, Royalux Exports Private Limited, Royalux Lighting Private Limited, Fine Technologies (India) Private Limited and IKIO Solutions Private Limited will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of exact borrowings availed by our Company and our Subsidiaries, Royalux Exports Private Limited, Royalux Lighting Private Limited, Fine Technologies (India) Private Limited and IKIO Solutions Private Limited as of January 31, 2023, which we have identified to repay or prepay, in full or in part, from the Net Proceeds:

S. No	Name of the Lender	Nature of borrowings	Purpose*	Amount sanctioned as on January 31, 2023* (₹ in million)	Principal amount outstanding as on January 31, 2023 (₹ in million)*	Repayment plan from Net Proceeds	Repayment Date / Schedule/ Tenor	Pre-payment conditions / penalty	Interest Rate (% p.a.)
<b>IKIO Lighting Limited</b>									
1.	HDFC Bank Limited	Cash Credit	To meet working capital requirements	151.00	141.66	110.00	Repayable on demand	Nil	8.35%
2.	IndusInd Bank Limited	Cash Credit	To meet working capital requirements	115.50	30.69	30.69	Repayable on demand	Nil	7.00 % (linked with 6 month CD) + 8.60 % for ad hoc limit of ₹ 19 million
3.	IndusInd Bank Limited	Term Loan	To purchase plant and machineries	12.60	8.05	8.05	For the period of 3 years.	Nil	Daily MIBOR + 2% Spread
	<b>Sub - Total</b>			<b>279.10</b>	<b>180.40</b>	<b>148.74</b>			
<b>Royalux Exports Private Limited#</b>									
4.	HDFC Bank Limited	Working capital	To meet working capital requirements	200.00	170.52	50.00	Repayable on demand	Nil	7.40%
	<b>Sub - Total</b>			<b>200.00</b>	<b>170.52</b>	<b>50.00</b>			
<b>Fine Technologies (India) Private Limited#</b>									
5.	HDFC Bank Limited	Cash Credit	To meet working capital requirements	50.00	25.37	25.37	Repayable on demand	Nil	8.40%
	<b>Sub - Total</b>			<b>50.00</b>	<b>25.37</b>	<b>25.37</b>			



S. No	Name of the Lender	Nature of borrowings	Purpose*	Amount sanctioned as on January 31, 2023* (₹ in million)	Principal amount outstanding as on January 31, 2023 (₹ in million)*	Repayment plan from Net Proceeds	Repayment Date / Schedule/ Tenor	Pre-payment conditions / penalty	Interest Rate (% p.a.)
<b>IKIO Solutions Private Limited#</b>									
6.	HDFC Bank Limited	Term Loan	To purchase land and buildings	250.00	147.58	147.58	For the period of 7 years.	Nil	8.25%
	<b>Sub - Total</b>			<b>250.00</b>	<b>147.58</b>	<b>147.58</b>			
<b>Royalux Lighting Private Limited#</b>									
7.	HDFC Bank Limited	Cash Credit	To meet working capital requirements	181.00	174.09	150.00	Repayable on demand	Nil	8.35%
	<b>Sub - Total</b>			<b>181.00</b>	<b>174.09</b>	<b>150.00</b>			
<b>Total</b>				<b>960.10</b>	<b>697.96</b>	<b>521.69</b> <sup>^</sup>			

<sup>^</sup> Upto ₹ 500.00 million will be repaid.

#With effect from September 12, 2022, our Company owns 100% of the outstanding share capital of Fine Technologies (India) Private Limited (“**FTIPL**”) and IKIO Solutions Private Limited; FTIPL, in turn, owns 100% of the outstanding share capital of Royalux Lighting Private Limited and Royalux Exports Private Limited.

\* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained a certificate dated May 29, 2023 from the Statutory Auditor.

We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, levy of prepayment penalty and quantum, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for repayment/prepayment from the respective lenders on agreed terms and conditions, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

The brief financials of our Subsidiaries whose debt is intended to be repaid out of the Net Proceeds is as follows:

**i. Fine Technologies (India) Private Limited**

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity Capital	2.00	2.00	2.00
Other Equity	21.51	55.45	124.15
Secured Borrowings	38.78	27.06	35.26
Unsecured Borrowings	18.02	20.71	31.38
Revenue from Operations	326.97	310.05	473.53
Profit / (loss) after tax	6.75	32.27	68.69

**ii. IKIO Solutions Private Limited**

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity Capital	0.50	0.50	0.50
Other Equity	19.23	11.08	2.52
Secured Borrowings	0.00	120.00	130.32

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
Unsecured Borrowings	82.98	150.21	191.96
Revenue from Operations	0.00	0.00	0.00
Profit / (loss) after tax	3.96	-8.32	-8.56

**iii. Royalux Lighting Private Limited**

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2021 (	Fiscal 2022
Equity Capital	0.00	0.00	0.50
Other Equity	23.81	35.26	104.41
Secured Borrowings	41.46	53.70	105.07
Unsecured Borrowings	122.58	125.25	161.31
Revenue from Operations	607.76	387.21	788.14
Profit / (loss) after tax	45.94	55.26	116.06

**iv. Royalux Exports Private Limited**

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity Capital	0.00	0.00	0.00
Other Equity	15.42	41.13	90.21
Secured Borrowings	35.00	51.31	118.69
Unsecured Borrowings	52.02	95.74	133.34
Revenue from Operations	89.97	80.39	327.47
Profit / (loss) after tax	-2.51	3.05	48.87

The complete financial statements of our Subsidiaries are available on the website of the Company at

[https://ikio.in/uploads/ipo/Fine\\_Technology\\_India\\_Pvt\\_Ltd\\_BS\\_2022.pdf](https://ikio.in/uploads/ipo/Fine_Technology_India_Pvt_Ltd_BS_2022.pdf),

[https://ikio.in/uploads/ipo/Royalux\\_Exports\\_BS\\_2022.pdf](https://ikio.in/uploads/ipo/Royalux_Exports_BS_2022.pdf),

[https://ikio.in/uploads/ipo/Royalux\\_Lighting\\_Pvt\\_Ltd\\_BS\\_2022.pdf](https://ikio.in/uploads/ipo/Royalux_Lighting_Pvt_Ltd_BS_2022.pdf),

[https://ikio.in/uploads/ipo/IKIO\\_Solutions\\_Pvt\\_Ltd\\_BS\\_2022.pdf](https://ikio.in/uploads/ipo/IKIO_Solutions_Pvt_Ltd_BS_2022.pdf)

For the purposes of the Offer, our Company has obtained consents and notified the relevant lenders, as is respectively required under the relevant facility documentation for undertaking the Offer. Further, to the extent our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such penalty or premium shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

The form of infusion of such amount allocated for this Object will be by way of issuance of equity shares or preference shares by the respective subsidiaries to our Company, the modalities of which shall be decided by our Board before infusion of the proceeds into the respective subsidiaries after considering certain commercial and financial factors.

**2. Investment in our wholly owned Subsidiary, IKIO Solutions Private Limited, for setting up a new facility at Noida, Uttar Pradesh (“Proposed Project”)**

Our Company proposes to utilise ₹2,628.75 million towards investment in our wholly owned Subsidiary, IKIO Solutions, which was incorporated on September 20, 2018, in order to set up a new manufacturing facility at Noida, Uttar Pradesh. The proposed investment by our Company will be undertaken to set -up a new manufacturing facility for carrying out electronic manufacturing services. This will also allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals, in particular, to address the growing consumer of electronic manufacturing services for lights, rotary switch and electric switch, socket, ABS pipe and solar for recreational vehicles.

Our Board by its resolution dated September 29, 2022 has approved the proposal to set up the Noida facility for carrying out electronic manufacturing services for lights, rotary switch and electric switch, socket, ABS pipe and solar for recreational vehicles.

## Estimated cost

The total estimated cost of the Proposed Project is ₹2,628.75 million of which our Company proposes to utilise ₹2,123.11 million from the Net Proceeds for the capital expenditure requirements for setting up the Proposed Project, as per the DPR issued by Sapient Services Private Limited. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Proposed Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for setting up the Proposed Project comprises the following:

S. No.	Particulars	Total estimated cost <sup>(1)(2)</sup>	Amount deployed <sup>(3)</sup>	Amount proposed to be funded from the Net Proceeds
1.	Land	225.52	225.52	-
2.	Civil and structural works & others	1,052.29	280.11	772.18
3.	Plants and machineries	1,011.12	-	1,011.12
4.	Administrative	123.63	-	123.63
	<b>Sub total</b>	<b>2,412.56</b>	<b>505.63</b>	<b>1,906.93</b>
5.	Contingency at the rate of 10%	216.18	-	216.18
	<b>Total</b>	<b>2,628.75</b>	<b>505.63</b>	<b>2,123.11</b>

(1) Inclusive of applicable GST.

(2) Total estimated cost as per DPR issued by Sapient Services Private Limited

(3) As of April 30, 2023, the amount deployed towards the Proposed Project was ₹505.63 million, as certified by our Statutory Auditors, by way of their certificate dated May 29, 2023. For sources of funds for the amounts deployed, please see “-Means of Finance” below.

We will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. The vendors for supply of such other equipment have been shortlisted on the basis of the reputation of the vendors, the historical performance of the equipment supplied by them and other factors such as electrical energy consumption, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

We will place orders for the assets and services for which orders are yet to be placed as per the schedule of implementation for the Proposed Project.

## Means of finance for Proposed Project

The total estimated cost for setting up of the Proposed Project is approximately ₹2628.75 million. We intend to fund the estimated cost of setting up the Proposed Project as follows:

Particulars	Amount
Total estimated project cost (A)	2,628.75 <sup>(1)</sup>
(less) Amount deployed as of April 30, 2023 (B)	505.63 <sup>(2)</sup>
Balance amount to be incurred (C) = (A-B)	2,123.11
Amount to be funded by infusion of Net Proceeds (D)	2,123.11

(1) Total estimated cost as per DPR issued by Sapient Services Private Limited

(2) As of April 30, 2023, the amount deployed towards the Proposed Project was ₹505.63 million, as certified by our Statutory Auditors, by way of their certificate dated May 29, 2023.

As of April 30, 2023, our Company has deployed ₹505.63 million towards the Proposed Project. The funding for the same has been secured from the following:

Name of Entity	Nature of Party	Amount (₹ mn)	Repayment Terms	Rate of Interest
Term Loan from HDFC Bank Limited	Bank <sup>^</sup>	143.48	7 year, ending Nov, 2029	8.05%*

Name of Entity	Nature of Party	Amount (₹ mn)	Repayment Terms	Rate of Interest
IKIO Lighting Limited (Deployed Funds)	Issue Entity	181.63	On Demand	9.50%
Parakh Overseas Private Limited	NBFC-ND <sup>^</sup>	13.22	On Demand	9.00%
Principal Fin-Sec (P) Limited	NBFC-ND <sup>^</sup>	50.86	On Demand	9.00%
Hardeep Singh	Promoter	102.44	On Demand	NIL
Ishween Kaur	Promoter Group	10.00	On Demand	NIL
Sanjeet Singh	Promoter Group	4.00	On Demand	NIL
<b>Total Funds deployed towards the Proposed Project</b>		<b>505.63</b>		

\*For details of our loans as at December 31, 2022, please read note 19 of the Restated Consolidated Financial Information appearing on page 284

\*\*For further details of our unsecured loans as at December 31, 2022, please read Note 22 of the Restated Consolidated Financial Information appearing on page 288.

<sup>^</sup> None of the NBFC-ND, Corporate, Bank are related to the Promoter or members of the Promoter Group.

The capital expenditure of ₹2,123.11 million will be met from the Net Proceeds, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals.

In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

## Land

The land on which the new facility will be set up is located at Plot No 10, Sector 156, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301 with a total built-up area measuring 20,001 square metres. This property has been allotted to IKIO Solutions by Okhla Industrial Development Authority pursuant to a lease deed dated July 25, 2019 for the period of 90 years from July 25, 2019 for annual lease rent of ₹6,576,103.79 for the purpose of manufacturing led lighting and components. IKIO Solutions paid ₹225.52 million to Okhla Industrial Development Authority which was funded through a term loan availed from HDFC Bank Limited and will be used for setting up the new facility. Our Company, owns 100% of IKIO Solutions.

## Break-down of estimated expense

We are yet to place orders for the new manufacturing facility at Noida, Uttar Pradesh to purchase the following equipment, utilities and undertake construction activities and no payments have been made towards these items, other than the amount already deployed towards the objects, as mentioned above. The detailed break-down of these estimated costs for new manufacturing facility is provided in the table below.

### 1. Civil and structural works & others

#### A. Building, services, fitments and site development works

Area under construction	Area in square meters	Area in square feet
Area under construction in Basement	10,176.00	109,534.46
Area in Block 1	14,534.00	156,443.98
Area in Block 2	14,534.00	156,443.98
Area in Block 3	7,800.00	83,959.20
<b>Total build-up</b>	<b>47,044.00</b>	<b>506,381.62</b>

#### a. Civil and structural work including all RCC and brickworks and elevator shafts

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Concrete M30	7,500.00/ m <sup>3</sup>	21,169.8 m <sup>3</sup>	134,553,813.56	158,773,500.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
Reinforcement steel	82.00 / kg	352,830 kg	24,518,694.92	28,932,060.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
Brickwork 230mm thick	6,500.00 / m <sup>3</sup>	18,817.6 m <sup>3</sup>	103,656,271.00	122,314,400.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
Shuttering	600.00 / sq. mt	141,132 sq. mt	71,762,033.90	84,679,200.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
<b>Total</b>	-	-	<b>334,490,813.00</b>	<b>394,699,160.00</b>	-	-	-

**b. Building Skin**

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Building skin at 30% glass surface finished with glass and 70% with plastic and sand stone cladding / equivalent permanent finish	250.00 / sq. ft	506,381.62 sq. ft	107,284,241.00	126,595,404.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
<b>Total</b>			<b>107,284,241.00</b>	<b>126,595,404.00</b>			

**c. Landscape and site developing**

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Landscape and site development including levelling of existing ground, soft and hard finishes including RCC/ stone finished road surface and water bodies	150.00 / sq. ft	506,381.62 sq. ft	64,370,544.01	75,957,242.00	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
<b>Total</b>			<b>64,370,544.01</b>	<b>75,957,242.00</b>			

**B. Interior fitouts**

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Civil finishing / interior work for atriums, stairwells, common areas, etc.	1800.00 / sq. Ft.	101,276.32 sq. ft.	154,489,306.58	182,297,381.76	PNG Design Consulting LLP	September 10, 2022	September 9, 2023
<b>Total</b>	-	-	<b>154,489,306.58</b>	<b>182,297,382.00</b>	-	-	-

#### C. Electrical work

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Hide side and low side	-	-	119,049,000.00	140,477,820.00	Sant Electricals	September 16, 2022	September 15, 2023
<b>Total</b>	-	-	<b>119,049,000.00</b>	<b>140,477,820.00</b>	-	-	-

#### D. Plumbing work

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Hide side and low side	-	-	37,986,190.33	44,823,704.00	VKP Engineering	September 8, 2022	September 7, 2023
<b>Total</b>	-	-	<b>37,986,190.33</b>	<b>44,823,704.20</b>	-	-	-

#### E. Firefighting system

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
High side and low side	-	-	40,766,975.00	48,105,030.50	Global Fire Protection	September 16, 2022	September 15, 2023
<b>Total</b>	-	-	<b>40,766,975.00</b>	<b>48,105,030.50</b>	-	-	-

#### F. Assembly and installation of elevators

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Passenger lifts	2,518,390.00 / unit	9	22,665,510.00	26,745,300.00	Elevator Technology	May 5, 2023	August 3, 2023
Service lifts	1,523,100.00 / unit	7	10,661,700.00	12,580,806.00	Elevator Technology	May 5, 2023	August 3, 2023
<b>Total</b>	-	-	<b>33,327,210.00</b>	<b>39,326,108.00</b>	-	-	-
<b>Total (A+B+C+D+E+F)</b>	-	-	<b>891,764,279.00</b>	<b>1,052,281,850.00</b>	-	-	-

#### 2. Plant and machinery

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
<b>A. Solar panels</b>							

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Fully automatic table stringer, (2600 Cell/Hr) with 13BB Kd fully automatic laminator (2600x5800), semi auto framing machine with corner crimp, sun simulator class AAA (for Poly & Mono PERC) fully automatic EL tester with AOI appearance tester (8 camera)	55,776,000.00	1	55,776,000.00	65,815,680.00	AW Solution Gm BH	August 26, 2022	August 25, 2023
<b>B. ABS pipes</b>							
ABS pipes extrusion machine, 1.75/33 75KW Out layer, 2.75/33 75KW Middle layer, 3.65/33 45KW Inner layer, 4.25/25 1.5KW Mark line	6,543,720.00 #	2	13,087,440	15,443,179.00	Qingdao Hanhai Plastic Machinery Company Limited	September 2, 2022	September 1, 2023
<b>C. LED fixtures</b>							
CNC Wire Cut EDM	7,164,925	2	14,329,850.00	16,909,223.00	Phillips Machines Tools India Private Limited, USA Branch	August 8, 2022	August 7, 2023
VMC-1#	5,114,410	3	15,343,231.00	18,105,012.00	Phillips Machines Tools India Private Limited, USA branch	August 7, 2022	August 6, 2023
VMC-2#	6,190,090	3	18,570,271.00	21,912,919.00	Phillips Machines Tools India Private Limited, USA branch	August 7, 2022	August 6, 2023
Lathe 250x1500	1,311,386.00	3	3,934,158.00	4,642,306.00	Phillips Machines Tools India Private Limited	August 8, 2022	July 30, 2023

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Lathe 325x2000	1,660,026.00	3	4,980,078.00	5,876,492.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 7, 2023
EDM Die Stinker 400mm	1,466,670.00	2	2,933,340.00	3,461,341.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 7, 2023
EDM Die Stinker 450mm	1,605,555.00	2	3,211,110.00	3,789,110.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 7, 2023
Surface Grinder 1	2,358,700.00	3	7,076,100.00	8,349,798.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 7, 2023
Milling Machine	724,799.00	3	2,174,397.00	2,565,788.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 7, 2023
3D Printer	2,150,000.00	2	4,300,000.00	5,074,000.00	Phillips Machines Tools India Private Limited	August 8, 2022	August 31, 2023
Molding Machine 110T	4,082,500.00	3	12,247,500.00	144,52050.00	Milacron India Private Limited	August 5, 2022	September 3, 2023
Molding Machine 180T	5,262,500.00	3	15,787,500.00	186,29,250.00	Milacron India Private Limited	August 5, 2022	September 3, 2023
Molding Machine 230T	6,435,000.00	4	25,740,000.00	30,373,200.00	Milacron India Private Limited	August 5, 2023	September 3, 2023
Mould (Walpack)	5,826,000.00	3	17.478,000.00	20,624,040.00	KH Engineering and Business Consultant	February 7, 2023	August 6, 2023
Mould (Flood Light)	5,916,000.00	3	17,748,000.00	20.942,640.00	KH Engineering and Business Consultant	February 7, 2023	August 6, 2023
Mould (Area Light)	10,910,000.00	2	21,820,000.00	25,747,600.00	KH Engineering and Business Consultant	February 7, 2023	August 6, 2023
Mould (Bollard Light)	7,436,000.00	2	14,872,000.00	17,548,960.00	KH Engineering and	February 7, 2023	August 6, 2023



Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
					Business Consultant		
Mould (UFO)	3,920,000.00	3	11,760,000.00	13,876,800.00	KH Engineering and Business Consultant	February 7, 2023	August 6, 2023
Die Casting Machine 420	19,147,104.00 <sup>#</sup>	2	38,294,208.00	45,187,165.00	Yota International AL/D S Tech	August 9, 2022	August 8, 2023
Die Casting Machine 650	30,414,852.00 <sup>#</sup>	2	60,829,704.00	71,779,051.00	Yota International AL/D S Tech	August 9, 2022	August 8, 2023
Die Casting Machine 900	42,247,332.00 <sup>#</sup>	2	84,494,664.00	99,703,704.00	Yota International AL/D S Tech	August 9, 2022	August 8, 2023
CNC Hydraulic press brake	2,850,000.00	3	855,000.00	10,089,000.00	Haco Machinery Private Limited	January 5, 2023	October 2, 2023
Laser cutting	3,100,000.00	3	9,300,000.00	1,09,74,000.00	Premier United Private Limited	September 2, 2022	September 1, 2023
Powder coating	34,750,000.00	2	69,500,000.00	82,010,000.00	Shayamlee Metal Industries	February 4, 2023	August 5, 2023
<b>D. LED lights for RV</b>							
Printer, pick and place, SPI + AOI <sup>#</sup>	26,892,000.00	3	80,676,000.00	95,197,680.00	Juki India Private Limited	June 12, 2022	June 11, 2023
Reflow Oven	13,714,920.00 <sup>#</sup>	3	41,144,760.00	48,550,817.00	Shenzhen ETA Technology Company Limited	June 12, 2022	June 11, 2023
ISM-Intelligent storage management with add ons	13,446,000.00 <sup>#</sup>	3	40,338,000.00	47,598,840.00	Juki India Private Limited	June 12, 2022	June 11, 2023
Thru-hole insertion	17,928,000.00 <sup>#</sup>	3	53,784,000.00	63,465,120.00	Juki India Private Limited	June 12, 2022	June 11, 2023
<b>E. Diesel Generator Set</b>							
Gas DG Set - 1160 Kwe	33,200,000.00	2	66,400,000.00	78,352,000.00	Jackson Limited	September 21, 2022	September 20, 2023
Gas DG Set - Parts Fitting & Installation	10,200,000.00 <sup>#</sup>	2	20,400,000.00	24,072,000.00	Jackson Limited	September 21, 2022	September 20, 2023
<b>Total</b>	-	-			-	-	-

Particulars	Rate (₹)	Quantity	Total estimated costs (₹)	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
			856,880,311.00	1,011,118,767.00			

\*For all imported equipment or machinery, our Company has assumed an exchange rate of USD 1= ₹ 83.00

#The rate per unit includes an 8% freight on the base price of the plant and machinery.

### 3. Administrative

Particulars	Rate per unit (₹)	Quantity (unit)	Total estimated costs (₹)*	Total inclusive of GST (₹)	Quotations received from	Date of quotations	Validity
Carpeting, wooden floorings, blinds, Cartage & Fixing Labour	-	-	15,637,500.00	18,452,250.00	Rajendra Carpets	September 16, 2022	September 15, 2023
Airconditioning High Side VRV (Equipments), Low Side VRV (Installation & Accessories)	-	-	54,080,687.00	63,815,210.66	Ekoaire Inc	September 15, 2022	September 14, 2023
Cabins & Work Stations	-	-	35,057,000.00	41,367,260.00			
<b>Total</b>	-	-	<b>104,775,187.00</b>	<b>123,634,721.00</b>	-	-	-

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these quotations pursuant to any taxes, levies payable and/or freight or installing cost, if any, on such items. Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus. For further details, see “Risk Factors – Our funding requirements and proposed deployment of Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control” on page 63.

### Contingencies

The Company envisages that there might be price fluctuations and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes. The total estimated cost for contingencies is ₹216.18 million as estimated by DPR, based on its past experience which is 10% of the amount proposed to be funded from the Net Proceeds for setting up the Proposed Project.

### Government approvals

In relation to the proposed project, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as per the DPR:

Sr. No.	Approval for	Authority	Application date	Approval date	Stage at which approvals are required	Status
1.	In-principle approval of building layout	Noida Authority	March 17, 2020	July 17, 2020	-	Obtained
2.	Consent to establish before commissioning	Noida Authority	To be applied	NA	Before commissioning	Pending
3.	Sanction of electrical load	UP Electricity Board	April 11, 2023	NA	Before commissioning	Pending
4.	In-principle approval to construct, extend	Noida Authority	To be applied	NA	Before commissioning	Pending

Sr. No.	Approval for	Authority	Application date	Approval date	Stage at which approvals are required	Status
	or take into use any building as a factory					
5.	Factory License	Industrial Department	To be applied	NA	Before commissioning	Pending

#### Proposed schedule of implementation of the Proposed Project

The proposed schedule of activities as per the DPR, in respect of the Proposed Project are as follows:

S. No	Particulars	Actual / Estimated Commencement Date	Expected completion date
1	Land acquisition	Lease Deed dated July 25, 2019	N.A
2	Site development and civil and structural works	November 2022	March 2025
3	Procurement of Plants and machineries	May 2023	October 2023
4	Procurement of Utilities and others	May 2023	September 2023
5	Procurement of Electrical and construction supervision	May 2023	March 2025
6	Installation of Plant and Machineries	June 2023	December 2023
7	Erection of Utilities and others	June 2023	October 2023
8	Erection of Electricals	November 2022	March 2025
9	Trial run	November 2023	December 2023
10	Commencement of commercial production	January 2024	N.A.

With respect to the utilities, equipment and machinery, construction and other expenses, we have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment and machinery and other items or at the same costs. The quantity of equipment and machinery and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

The form of infusion of such amount allocated for this object will be, by way of equity shares or preference shares, the modalities of which shall be decided by our Board before infusion of the proceeds into our wholly owned Subsidiary, IKIO Solutions Private Limited after considering certain commercial and financial factors. It may be noted that subsequent to complete deployment of the proceeds of the Offer, the Company will receive equity shares or preference shares of the subsidiary.

The brief financials of IKIO Solutions Private Limited are provided in the table below:

#### IKIO Solutions Private Limited

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2021	Fiscal 2022
Equity Capital	0.50	0.50	0.50
Other Equity	19.23	11.08	2.52
Secured Borrowings	0.00	120.00	130.32
Unsecured Borrowings	82.98	150.21	191.96
Non-Current Assets (including Land)	300.84	339.00	396.36
Revenue from Operations	0.00	0.00	0.00
Profit / (loss) after tax	3.96	-8.32	-8.56

Our Promoters, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery for the proposed project.

### **3. General Corporate Purposes**

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, research and development, meeting any expense including salaries and wages, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

#### **Interim use of Net Proceeds**

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company or for any investment in the equity markets.

#### **Bridge Financing Facilities**

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

#### **Offer Expenses**

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the Book Running Lead Manager and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer expenses, except (a) listing fees, which will be borne by the Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, will be shared, between our Company and the Selling Shareholders on a pro-rata basis (including all applicable taxes, except STT and withholding taxes, if any, which shall be borne by the respective Selling Shareholder), 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, as may be mutually agreed and in accordance with applicable law. The expenses directly attributable to the Offer for Sale shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by them in the Offer, and such expenses will be deducted from the proceeds of the Offer, as appropriate, and only the balance amount will be paid to the Selling Shareholders in accordance with Section 28(3) of the Companies Act, 2013.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all expenses in relation to the Offer shall be shared by the Company and the Selling Shareholders in accordance with applicable law.

The break-up for the estimated Offer expenses is set forth below:

Activity	Estimated expenses <sup>(1)</sup> (in ₹ million)	As a % of the total estimated Offer expenses <sup>(1)</sup>	As a % of the total Offer size <sup>(1)</sup>
Book Running Lead Manager' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Banks 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)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
i. Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
ii. Printing and stationery expenses	[●]	[●]	[●]
iii. Advertising and marketing expenses	[●]	[●]	[●]
iv. Fees payable to legal counsels	[●]	[●]	[●]
v. Miscellaneous	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

- (1) Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders, which are directly procured by them would be as follows:

Portion for RIBs*	0.35% of the Amount Allotted (plus applicable taxes)*
Portion for Non-Institutional Bidders*	0.20% of the Amount Allotted (plus applicable taxes)*

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

No processing/uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders (excluding UPI Bids) and submitted to the SCSBs for blocking as follows:

Portion for RIBs*	₹10/- per valid ASBA Forms (plus applicable taxes)
Portion for Non-Institutional Bidders *	₹10/- per valid ASBA Forms (plus applicable taxes)

\*Based on valid ASBA Forms

Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non- Institutional Bidders with bids above ₹500,000 would be ₹10 plus applicable taxes, per valid application.

- (2) Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Bidders (using the UPI Mechanism), and Non-Institutional Bidders which are procured by the members of the Syndicate (including their sub-syndicate members), CRTAs, CDPs or for using 3-in 1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows:

Portion for RIBs*	0.35% of the Amount Allotted (plus applicable taxes)*
Portion for Non-Institutional Bidders *	0.20% of the Amount Allotted (plus applicable taxes)*

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

Notwithstanding anything contained in (1) & (2) above the total uploading charges / processing fees payable under this clause will not exceed ₹1.50 million (plus applicable taxes) and in case if the total processing fees exceeds ₹1.50 million (plus applicable taxes) then processing fees will be paid on pro-rata basis.

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined:

- For RIBs and Non-Institutional Bidders (up to ₹500,000) 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.
- For Non-Institutional Bidders (Bids above ₹500,000) on the basis of the Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. 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 Syndicate / Sub Syndicate members and not the SCSB.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

**(3) Uploading Charges:**

- i. Payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be ₹10 plus applicable taxes, per valid application bid by the Syndicate member (including their sub-Syndicate Members),
- ii. Bid Uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Bidders (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be ₹10 per valid application (plus applicable taxes)

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

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

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 SCSB for processing would be as follows: Portion for Retail Individual Bidders and Non-Institutional Bidders : ₹10/- per valid ASBA Form (plus applicable taxes).

**(4) Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:**

Members of the Syndicate / RTAs / CDPs (uploading charges)	₹30 per valid application (plus applicable taxes)
HDFC Bank Limited	₹NIL per valid Bid cum Application Form (applicable taxes)  The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws
Axis Bank Limited	₹6.50 per UPI valid application plus applicable taxes.  The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (4) will be subject to a maximum cap of ₹10.00 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹10.00 million, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹10.00 million.

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). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB bids up to ₹ 5 lakhs will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

## Monitoring Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds, as the Fresh Issue exceeds ₹ 1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. 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 our balance sheet for such periods 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 if any, of such currently

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

### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act and applicable rules, 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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Shareholders' Meeting Notice**") shall specify the prescribed details, provide Shareholders with the facility to vote by electronic means and shall be published in accordance with the Companies Act, 2013 read with the relevant rules.

The Shareholders' Meeting Notice shall simultaneously be published in the newspapers, one in English and one in Hindi (Hindi also being the regional language of the jurisdiction where our Registered Office is situated). Our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

### **Appraising agency**

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

### **Other confirmations**

There is no proposal whereby any portion of the Net Proceeds will be paid to our Directors, Promoters, members of the Promoter Group, Key Managerial Personnel or Senior Management, except in the ordinary course of business. Further, to the extent of being a Promoter Selling Shareholders, our Promoter will receive proceeds from the respective portion of the Offer for Sale. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel or Senior Management.

## BASIS OF OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Book Running Lead Manager, 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 Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Investors should also refer to the sections “*Risk Factors*”, “*Our Business*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 33, 188, 250 and 406 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:

- Poised to capture growth of LED market;
- Diverse product basket with focus on high-margin areas;
- Long-term relationships with leading industry customers;
- Strong focus on R&D;
- Established infrastructure with backward integration;
- Strong and consistent financial performance; and
- Experienced Promoters and Management Team.

For further details, please see “*Our Business – Competitive Strengths*” on page 188.

### Quantitative Factors

Certain information presented in this section relating to our Company is based on and derived from the Restated Consolidated Financial Information. For details, see “*Financial Information*” beginning on page 250.

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 adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2022	4.31	4.31	3
Financial Year ended March 31, 2021	3.17	3.17	2
Financial Year ended March 31, 2020	2.46	2.46	1
Weighted Average	3.62	3.62	
Nine months period ended December 31, 2022*	5.32	5.32	

\* Not Annualized

Note:

- (1) *Basic EPS (₹) = Basic earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of Equity Shares outstanding during the year, after considering impact of bonus issuance retrospectively, for all periods presented.*
- (2) *Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the Restated Profit for the year divided by the weighted average number of equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented.*
- (3) *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 ‘Earnings per share’.*
- (4) *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year 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 year.*



- (5) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Statements as appearing in Restated Consolidated Financial Statements.
- (6) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights

**As derived from the Proforma Consolidated Financial Information:**

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2022	7.77	7.77	3
Financial Year ended March 31, 2021	4.43	4.43	2
Financial Year ended March 31, 2020	3.29	3.29	1
Weighted Average	5.91	5.91	
Nine months period ended December 31, 2022*	7.90	7.90	

\* Not annualized

**Notes:**

- (1) Basic EPS (₹) = Basic earnings per share are calculated by dividing the Proforma Profit for the year divided by the weighted average number of Equity Shares outstanding during the year, after considering impact of bonus issuance retrospectively, for all periods presented.
- (2) Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the Proforma Profit for the year divided by the weighted average number of equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares outstanding during the year, if any and after considering impact of bonus issuance retrospectively, for all periods presented.
- (3) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.
- (4) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year 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 year.
- (5) The above statement should be read with Significant Accounting Policies and the Notes to the Proforma Consolidated Financial Information as appearing in Proforma Consolidated Financial Information.
- (6) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

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

**As derived from the Restated Consolidated Financial Statements:**

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

\*Will be populated in the Prospectus.

**As derived from the Proforma Consolidated Financial Information:**

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

\*Will be populated in the Prospectus.

**3. Industry P/E ratio**

Based on the peer group information (excluding our Company) given below in this section:

	P/E Ratio (x)
Highest	90.93
Lowest	13.91
Industry Composite*	56.30

\*Arithmetic Average of P/E ratios of peer companies mentioned in the table appearing in point 7 below. It may be noted that the P/E Ratio has been computed based on the closing market price of the equity shares as of May 15, 2023 (Source: NSE) on www.nseindia.com, divided by the Diluted EPS for the period ended March 31, 2022.

#### 4. Return on Net Worth (“RoNW”)

As derived from the Restated Consolidated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year ended March 31, 2022	36.64	3
Financial Year ended March 31, 2021	42.60	2
Financial Year ended March 31, 2020	57.84	1
Weighted Average	42.16	
Nine months period ended December 31, 2022*	27.31	-

\*Not annualised

Notes:

- (1) Return on Net worth (%) = Restated Profit for the year divided by Net worth as at the end of the year.
- (2) “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.
- (3) 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

As derived from the Proforma Consolidated Financial Information:

Particulars	RoNW %	Weight
Financial Year ended March 31, 2022	46.40	3
Financial Year ended March 31, 2021	45.83	2
Financial Year ended March 31, 2020	59.63	1
Weighted Average	48.42	
Nine months period ended December 31, 2022*	36.46	

\*Not annualised

Notes:

- (1) Return on Net worth (%) = Proforma Profit for the year divided by Proforma Net worth as at the end of the year.
- (2) Proforma “Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the proforma balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020. Further it also excludes Equity component of interest free loan from Promoter.
- (3) 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

#### 5. Net Asset Value per Equity Share of face value of ₹10 each, as adjusted for changes in capital

As derived from the Restated Consolidated Financial Statements:

Period	NAV derived from the Restated Consolidated Financial Statements (₹)
As on December 31, 2022	19.48
As on March 31, 2022	11.76
After the completion of the Offer	At Floor Price: [●] At Cap Price: [●]
Offer Price <sup>(1)</sup>	[●]

Notes:

- (1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- (2) Net Asset Value per Equity Share = Net worth divided by the outstanding number of equity shares outstanding at the end of the year, after considering impact of bonus issuance on September 17, 2022.
- (3) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations.

#### As derived from the Proforma Consolidated Financial Information:

Period	NAV derived from the Proforma Consolidated Financial Information (₹)
As of December 31, 2022	21.67
As on March 31, 2022	16.75
After the completion of the Offer	At Floor Price: [●] At Cap Price: [●]
Offer Price <sup>(1)</sup>	[●]

Notes:

- (1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- (2) Net Asset Value per Equity Share = Proforma Net worth divided by the outstanding number of equity shares outstanding at the end of the year, after considering impact of bonus issuance on September 17, 2022.
- (3) Proforma "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the proforma balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at March 31, 2022 and as at December 31, 2022,. Further it also excludes Equity component of interest free loan from Promoter.

## 6. Key Financial and operational performance indicators

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 12, 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus, if any. During the three years period prior to the date of filing of this Red Herring Prospectus, no fresh allotment was made except issuance of equity shares on bonus issue as disclosed in this section and section entitled "Capital Structure" on page 91. Further, the KPIs herein have been certified by our Statutory Auditors, by their certificate dated [●]. For further details, please refer to the sections entitled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 188 and 406, respectively.

**All figures in this section, unless otherwise mentioned, shall be in ₹ million**

Our Company's chief operating decision makers (which includes our CMD, CFO and members of the Board and our senior management personnel) monitor and review the operating results of our Company. Key metrics such as revenue growth, revenue contribution of various verticals, contribution of various end user industry segments in the revenue, EBIT Margin,

EBIDTA Margin, PAT Margin and few other ratios are monitored by the chief operating decision makers on a periodic basis for evaluating the overall performance of Company.

### 1. Revenue details across verticals:

We are an Indian manufacturer of light emitting diode (“LED”) lighting solutions and focused on sustainability and providing low energy LED products to help India meet its sustainability goals. We operate our business across four verticals, namely (i) LED lighting; (ii) refrigeration lights; (iii) ABS (acrylonitrile butadiene styrene) piping; and (iv) other products. Contribution of revenue of each our four verticals for the nine months ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 was as below:

*As derived from the Restated Consolidated Financial Statements:*

Vertical	For the nine months ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
LED lighting	2,197.09	2,014.02	1,504.83	1,348.16
Refrigeration lights	47.28	-	-	-
ABS (acrylonitrile butadiene styrene) piping	-	19.86	-	-
Other products	162.83	165.07	91.80	58.32
<b>Total</b>	<b>2,407.21</b>	<b>2,198.95</b>	<b>1,596.63</b>	<b>1,406.48</b>

*As derived from the Proforma Consolidated Financial Information:*

Vertical	For the nine months ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
LED lighting	2,827.82	2,879.76	1,862.50	1,876.82
Refrigeration lights	107.03	133.48	82.56	134.33-
ABS (acrylonitrile butadiene styrene) piping	99.04	50.88	-	-
Other products	252.38	254.28	189.40	191.32
<b>Total</b>	<b>3,286.27</b>	<b>3,318.40</b>	<b>2,134.46</b>	<b>2,202.47</b>

### 2. Key performance indicators which may form the basis for computing the Offer Price are as follows:

Particulars	Proforma Consolidated Financial Information				Restated Consolidated Financial Statement			
	December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020	December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	3,286.27	3,318.40	2,134.46	2,202.47	2,407.21	2,198.95	1,596.63	1,406.48
Total Income	3,327.92	3,339.95	2,145.72	2,218.28	2,431.78	2,207.19	1,600.39	1,407.32
EBITDA (1)	734.05	773.14	478.09	373.07	498.43	401.50	302.82	263.37
EBITDA margin (2)	22.34%	23.30%	22.40%	16.94%	20.71%	18.26%	18.97%	18.73%
Profit/(loss) after tax	513.47	505.16	288.06	214.07	345.82	280.10	205.80	159.93
PAT margin (3)	15.43%	15.12%	13.42%	9.65%	14.22	12.69%	12.86%	11.36%
Capital expenditure (4)	206.15	124.60	132.51	351.84	99.13	42.46	33.17	39.69
ROCE (5)^	25.62%	33.07%	31.13%	37.61%	18.10%	41.63%	52.98%	68.44%
ROE (6)^	36.46%	46.40%	45.83%	59.63%	27.31%	36.64%	42.59%	57.84%
Net debt/EBITDA ratio (7)	1.94	1.47	1.58	1.30	2.86	0.39	0.16	0.04

(1) EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(3) PAT Margin is calculated as profit after tax divided by Total Income.

(4) Includes right of use assets

(5) ROCE is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as sum of tangible net worth and Total Debt as at the end of the fiscal year.

(6) ROE is calculated by profit after tax divided by total equity.

(7) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA.

^Values for ROCE and ROE for the period ended December 31, 2022 are not annualised.

#### Explanation for the Key Performance Indicators

Explanation for KPI metrics	Explanations
Revenue from Operations (₹ million)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
Profit for the year	Profit for the year provides information regarding the overall profitability of the business
RoE	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE	ROCE provides how efficiently our Company generates earnings from the capital employed in the business
Debt to Equity Ratio	This metric is a measurement of our Company's financial leverage.
Net Debt/EBITDA	This metric is a measurement of the amount of operating income generated and available to pay down term liabilities

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

Name of the company	Standalone/ Consolidated	Face value per equity share (₹)	Total income (in ₹ million)	EPS		NAV (₹ per share)	P/E (x)	RoNW (%)
				(Basic) (₹)	(Diluted) (₹)			
IKIO Lighting Limited	Restated Consolidated Financial Statements	10	2,207.19	4.31	4.31	11.76	NA	36.64
IKIO Lighting Limited	Proforma Consolidated Financial Information	10	3,339.95	7.77	7.77	16.75	NA	46.40
<b>Peer Group</b>								
Dixon Technologies (India) Limited	Consolidated	2	1,07,008.90	32.31	32.31	167.92	90.93	19.08
Amber Enterprises India Limited	Consolidated	10	42,396.30	32.41	32.41	514.70	57.07	6.30
Syrma SGS Technology Limited	Consolidated	10	10,324.08	4.97	4.97	39.21	63.28	10.29
Elin Electronics Limited	Consolidated	5	10,937.54	9.59	9.59	74.22	13.91	12.93

#### Notes:

- With respect to our Company, the information above is based on the Restated Consolidated Financial Statements and Proforma Consolidated Financial Information for the year ended March 31, 2022 respectively.
- Financial information for listed industry peers mentioned above is for the year ended March 31, 2022 and is based on annual report disclosed by these companies to the stock exchanges, except in case of Syrma SGS Technology Limited, wherein the financial information is sourced from their consolidated financial statements for the year ended March 31, 2022 uploaded on their website.
- Diluted EPS refers to the diluted earnings per share sourced from the audited financial results of the respective company

- d. NAV is computed as the net worth at the end of the year divided by the closing outstanding number of equity shares.
- e. **P/E Ratio has been computed based on the closing market price of the equity shares as of May 15, 2023 (Source: NSE) on www.nseindia.com , divided by the Diluted EPS for the period ended March 31, 2022.**
- f. RoNW is computed as net profit attributable to owners of the company divided by net worth at the end of the year.
- g. Net worth is sum of share capital and other equity and excludes capital redemption reserve, capital reserve and SEZ reinvestment reserve.

It may be noted that the table below contains peer companies that are comparable to the Company. However, each of these peers have different stages of growth, leverage, customer profiles, product profiles and are larger than the Company. Investors should consider these factors while using the peers for comparison. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

#### December 31, 2022

Particulars	IKIO (Proforma Consolidated)	IKIO (Restated Consolidated)	Dixon Technologies (India) Limited	Amber Enterprises India Limited	Syrma SGS Technology Limited	Elin Electronics Limited
Revenue from operations	3,286.27	2,407.21	91,265.60	39,244.77	13,688.60	8,067.05
Total Income	3,327.92	2,431.78	91,303.50	39,584.46	13,909.80	8,071.35
EBITDA <sup>(1)</sup>	734. 05	498. 43	3564.7	2,144.27	1,285.54	562.71
EBITDA margin <sup>(2)</sup>	22.34%	20.71%	3.91%	5.46%	9.39%	6.98%
Profit/(loss) after tax	513.47	345.82	1,744.40	556.78	801.95	252.02
PAT margin <sup>(3)</sup>	15.43%	14.22%	1.91%	1.41%	5.77%	3.12%
Capital expenditure <sup>(4)</sup>	206.15	99.13	NA^	NA^	NA^	NA^
ROCE <sup>(5)*</sup>	25.62%	18.10%	NA^	NA^	NA^	NA^
ROE <sup>(6)*</sup>	36.46%	27.31%	NA^	NA^	NA^	NA^
Net debt/EBITDA ratio <sup>(7)</sup>	1.94	2.86	NA^	NA^	NA^	NA^

^ Components of these parameters are not disclosed in the reported financial statements for the Companies in the quarter ended December 31, 2022. \* Not Annualised

#### Fiscal 2022

Particulars	IKIO (Proforma Consolidated)	IKIO (Restated Consolidated)	Dixon Technologies (India) Limited	Amber Enterprises India Limited	Syrma SGS Technology Limited	Elin Electronics Limited
Revenue from operations	3,318.40	2,198.95	1,06,970.80	42,063.97	10,197.20	10,937.54
Total Income	3,339.95	2,207.19	1,07,008.90	42,396.30	10,324.08	10,946.68
EBITDA <sup>(1)</sup>	773.14	401.50	3,791.10	2,753.83	944.28	790.16
EBITDA margin <sup>(2)</sup>	23.30%	18.26%	3.54%	6.55%	9.26%	7.22%
Profit/(loss) after tax	505.16	280.10	1,903.30	1,113.23	566.74	391.47
PAT margin <sup>(3)</sup>	15.12%	12.69%	1.78%	2.63%	5.49%	3.58%
Capital expenditure <sup>(4)</sup>	124.60	42.46	4,206.40	4,136.72	816.50	423.97
ROCE <sup>(5)</sup>	33.07%	41.63%	20.54%	9.82%	12.15%	19.49%
ROE <sup>(6)</sup>	46.40%	36.64%	19.08%	6.28%	9.72%	12.92%
Net debt/EBITDA ratio <sup>(7)</sup>	1.47	0.39	0.74	2.66	1.70	1.24

#### Fiscal 2021

Particulars	IKIO (Proforma Consolidated)	IKIO (Restated Consolidated)	Dixon Technologies (India) Limited	Amber Enterprises India Limited	Syrma SGS Technology Limited	Elin Electronics Limited
Revenue from operations	2,134.46	1,596.63	64,481.70	30,305.20	4,383.03	8,623.78
Total Income	2,145.72	1,600.39	64,497.48	30,636.20	4,444.80	8,649.02
EBITDA <sup>(1)</sup>	478.09	302.82	2,865.84	2,202.88	467.57	664.79
EBITDA margin <sup>(2)</sup>	22.40%	18.97%	4.44%	7.27%	10.67%	7.71%
Profit/(loss) after tax	288.06	205.80	1,597.91	832.79	320.17	348.57
PAT margin <sup>(3)</sup>	13.42%	12.86%	2.48%	2.72%	7.20%	4.03%
Capital expenditure <sup>(4)</sup>	132.51	33.17	1,681.74	1,845.42	56.77	196.79
ROCE <sup>(5)</sup>	31.13%	52.98%	27.51%	11.07%	16.11%	17.68%
ROE <sup>(6)</sup>	45.83%	42.59%	21.67%	5.08%	13.25%	13.29%
Net debt/EBITDA ratio <sup>(7)</sup>	1.58	0.16	0.31	0.77	0.44	1.64

#### Fiscal 2020

Particulars	IKIO (Proforma Consolidated)	IKIO (Restated Consolidated)	Dixon Technologies (India) Limited	Amber Enterprises India Limited	Syrma SGS Technology Limited	Elin Electronics Limited
Revenue from operations	2,202.47	1,406.48	44,001.20	39,627.93	3,970.76	7,855.84
Total Income	2,218.28	1,407.32	44,053.15	39,709.51	4,048.82	7,863.72
EBITDA <sup>(1)</sup>	373.07	263.37	2,230.66	3,092.71	620.94	554.55
EBITDA margin <sup>(2)</sup>	16.94%	18.73%	5.07%	7.80%	15.64%	7.06%
Profit/(loss) after tax	214.07	159.93	1,205.00	1,641.45	438.80	274.87
PAT margin <sup>(3)</sup>	9.65%	11.36%	2.74%	4.13%	10.84%	3.50%
Capital expenditure <sup>(4)</sup>	351.84	39.69	1,097.17	1,449.42	295.64	326.24
ROCE <sup>(5)</sup>	37.61%	68.44%	30.72%	20.84%	34.68%	18.63%
ROE <sup>(6)</sup>	59.63%	57.84%	22.26%	14.11%	43.14%	12.07%
Net debt/EBITDA ratio <sup>(7)</sup>	1.30	0.04	-0.06	0.81	0.75	1.10

(1) EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(3) PAT Margin is calculated as profit after tax divided by Total Income.

(4) Includes right of use assets

(5) ROCE is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as sum of tangible net worth and Total Debt as at the end of the fiscal year.

(6) ROE is calculated by profit after tax divided by total equity.

(7) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA.

A summary of the business of the peers based on publicly available information is provided in the table below:

Name of the Peer	Description of Business	Source
Dixon Technologies (India) Limited	“Dixon Technologies (India) Limited has been leading the electronic manufacturing services (EMS) space in India. Founded in 1993 and commenced manufacturing of colour television in 1994, Dixon has now expanded its operations to various sub-segments of electronics. As a home grown manufacturing company, Dixon Technologies provides manufacturing and design focused solutions in consumer durables, home appliances, lighting, mobile phones, security devices, set top boxes, wearables and medical equipment to customers across the globe, along with repairing and refurbishment services of LED TV panels.”	<a href="https://dixoninfo.com/who-are-we.php">https://dixoninfo.com/who-are-we.php</a>

Name of the Peer	Description of Business	Source
Amber Enterprises India Limited	<i>“Established in the Year 1990 Amber Enterprises India Limited is the most backward integrated market leader in the Indian Room Air Conditioner (RAC) industry. The Company has a presence across both, the components space and finished goods, in the HVAC industry. Our diversified product portfolio includes Room AC (indoor &amp; outdoor units as well as window ACs), Reliable Critical Components, and Mobility Applications for railways, metros, buses, and defence, among others. We also provide solutions under Commercial Air Conditioners (CAC) for higher tonnage ACs. The Company’s 27 state-of-the-art manufacturing facilities are spread across strategic locations pan India in proximity to the customers – ensuring quicker turn-around time. This enables us to deliver higher quality products at a much more efficient and faster pace to our top marquee clientele across RAC and other divisions in the industry. Amber’s backward integration coupled with strong R&amp;D capabilities, secures a higher proportion in the ODM industry for the Company.”</i>	<a href="https://www.ambergroupindia.com/about/">https://www.ambergroupindia.com/about/</a>
Syrma SGS Technology Limited	<i>“Syrma SGS has been the preferred value creator for its customers over the last 40 years through innovative and efficient Electronic System Design and Manufacturing. We provide high-mix, flexible volume, precision OEM manufacturing. Our one-stop-solution electronics manufacturing services (EMS) includes product design, quick prototyping, PCB assembly, Box build, repair &amp; rework and automatic tester development services. Syrma SGS also offers OEM solutions for RFID tags &amp; inlays and high-frequency magnetic components. We serve global OEMs in 20+ countries and have supplied several hundreds of million units”</i>	<a href="https://syrmasgs.com/about-us/">https://syrmasgs.com/about-us/</a>
Elin Electronics Limited	<i>“Elin Electronics Ltd., is an ISO 9001, ISO 14001 &amp; IATF 16949 certified company. It is a flagship company of Elin Group, promoted by the “Sethia” family. Elin was established in 1969 at DELHI / NCR. Elin offers various products and services to its OEM customers. Elin is a one-stop solution provider, offers Electronic Manufacturing Services, Universal Motors and Induction Motors, Design &amp; Manufacturing of Tools/Moulds/Dies, Domestic Kitchen Appliances, Personal Care Products, Lighting Products &amp; Automotive Components.”</i>	<a href="https://www.elinindia.com/who-we-are/">https://www.elinindia.com/who-we-are/</a>

## 8. Weighted average cost of acquisition (“WACA”)

- A. *Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the Employees Stock Option Plan (“ESOP Plan”) and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days:* Not applicable, as our Company has not issued any Equity Shares or convertible securities during the 18 months preceding the date of this Red Herring Prospectus.
- B. *Price per share of our Company based on secondary sale or acquisition of Equity Share or convertible securities, where any of the Promoters, members of the Promoter Group, the Selling Shareholders or Shareholders having the right to nominate director(s) to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days:* Not applicable as there have been no secondary sale or acquisition of Equity Shares or convertible securities, where any of the Promoters, members of the Promoter Group, Shareholders having the right to nominate director(s) to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on a pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- C. *Since there are no transactions to report under 8(a) and (b) above, the following are the details basis the last five primary and secondary transactions (secondary transactions where Promoter, Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) to the Board of the Company, are a party to the transaction), during the three years preceding the date of this Red Herring Prospectus, irrespective of the size of transactions:* There have been no primary transactions as our Company has not issued any Equity Shares or convertible securities, neither has there been any secondary transaction during the last three years preceding the date of this Red Herring Prospectus.

## 9. Weighted average cost of acquisition (“WACA”), Floor Price and Cap Price



There are no transaction in point 8 above accordingly, there can be no comparison between the WACA and the Floor Price and Cap Price.

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

The Offer Price of ₹ [●] has been determined by our Company in consultation with the Book Running Lead Manager, 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*”, “*Restated Consolidated Financial Information*”, “*Proforma Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 33, 188, 250, 318 and 406 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 33 and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES UNDER THE APPLICABLE LAWS IN INDIA

To,

**The Board of Directors,  
IKIO Lighting Limited  
(Formerly known as IKIO Lighting Private Limited)**  
411, Arunachal Building 19  
Barakhamba Road, Connaught  
Place, Central Delhi,  
New Delhi – 110001

(The “Company”)

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Offer”) of ‘IKIO Lighting Limited’ (the “Company”)**

1. This report is issued in accordance with the Engagement Letter dated 02<sup>nd</sup> May 2022
2. We, BGJC & Associates LLP (Firm Registration Number: 003304N/N500056), Statutory Auditor of the Company, report that the enclosed statement in the **Annexure I** states the possible special tax benefits, available to the Company, its shareholders and to its material subsidiaries namely Fine Technologies (India) Private Limited, Royalux Lighting Private Limited and Royalux Exports Private Limited (“**Material Subsidiaries**”), under direct and indirect taxes (together “**the Tax Laws**”), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders and Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.
3. The benefits discussed in the enclosed **Annexure I** cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiaries but does not cover any general tax benefits available to the Company, its shareholders and its Material Subsidiaries.

#### **Managements' Responsibility**

4. The management’s responsibility includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Annexure I and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for ensuring that the Company complies with the requirements of the relevant provisions of the Tax laws and to avail the available special tax benefits. The preparation of the enclosed Annexure I and their contents is the responsibility of the management of the Company and is not exhaustive.

#### **Auditor's Responsibility**

5. We were informed that the statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.
6. 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. The Guidance Note

requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered 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.

7. Our Scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.
8. We do not express any opinion or provide any assurance as to whether:
  - i) the Company and its shareholders and its Material Subsidiaries 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.
9. The contents of enclosed Annexures 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.

10. We hereby give consent to include this Statement in the 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 Truly,

For and on behalf of

**BGJC & Associates LLP**

**Chartered Accountants**

Firm Registration Number: 003304N/N500056

Pranav Jain

Partner

Membership No.: 098308

UDIN: 23098308BGVLSL1897

Place: New Delhi

Date: April 07, 2023

**Encl: As above**

## ANNEXURE I

### LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

1. Fine Technologies (India) Private Limited ('Material Subsidiary')
2. Royalux Exports Private Limited ('Material Subsidiary')
3. Royalux Lighting Private Limited ('Material Subsidiary')

*Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e., March 31, 2022) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.*

### ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT TAX LAWS

We have outlined hereunder certain possible special tax benefits which may be available to IKIO Lighting Limited (the "**Company**") and its shareholders and its Material Subsidiaries under the Income-tax Act, 1961 (read with Income Tax Rules, Circulars, Notifications) as amended by the Finance Act, 2023 (hereafter referred to as "**Indian Income Tax Regulations**"):

- i) Possible Special tax benefits available to the Company and its material subsidiaries under the applicable Direct Tax Laws in India

#### 1. Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 ('the Act')

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic Company to be governed by the section from a particular assessment year. If a Company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic Companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Also, if a Company opts for section 115BAA of the Act, the tax credit (under section 115JAA of the Act), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to apply section 115BAA of the Act for Financial Year 2021-22. Once the Company decides to opt for applicability of concessional tax rate, it would not be eligible to claim below deduction and MAT credit.

#### 2. Deductions from Gross Total Income

Section 80G of the Act: Deductions in respect of donations  
Subject to conditions prescribed in the Act, the Company is entitled to claim deduction, under the provisions of Section 80G of the Act, of an amount equal to hundred per cent or fifty percent (as applicable as per the provisions of the Act) of the amount of donations made by the Company in the relevant previous year.

However, where the Company opts for special rate of tax under section 115BAA of the Act, such deduction shall not be allowed in computation of total income in the relevant previous year

Royalux Export Private Limited has established in Special Economic Zone and claiming deduction under section 10AA of the Income Tax Act, 1961.

ii) Special direct tax benefits available to the Shareholders of the Company under the applicable Direct Tax Laws in India

As per section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000.

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

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile. Except for the above, the Shareholders of the Company are not entitled to any other special tax benefits under the Act.

**NOTES:**

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of Frost & Sullivan (“F&S”). Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

F&S has taken due care and caution in preparing the “Assessment Of Select High End Led Lighting Market (EMS) In India”, released in September 2022 (the “Company Commissioned F&S Report”) based on the information obtained by F&S from sources which it considers reliable (“Data”). The F&S Report is available on the website of our Company at <http://ikio.in>, in accordance with applicable law. However, F&S does not guarantee the accuracy, adequacy or completeness of the Data / Company Commissioned F&S Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data / Company Commissioned F&S Report. The Company Commissioned F&S Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Company Commissioned F&S Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. F&S especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Company Commissioned F&S Report. Without limiting the generality of the foregoing, nothing in the Company Commissioned F&S Report is to be construed as F&S providing or intending to provide any services in jurisdictions where F&S does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Company Commissioned F&S Report or part thereof outside India. No part of the Company Commissioned F&S Report may be published/reproduced in any form without F&S’s prior written approval.

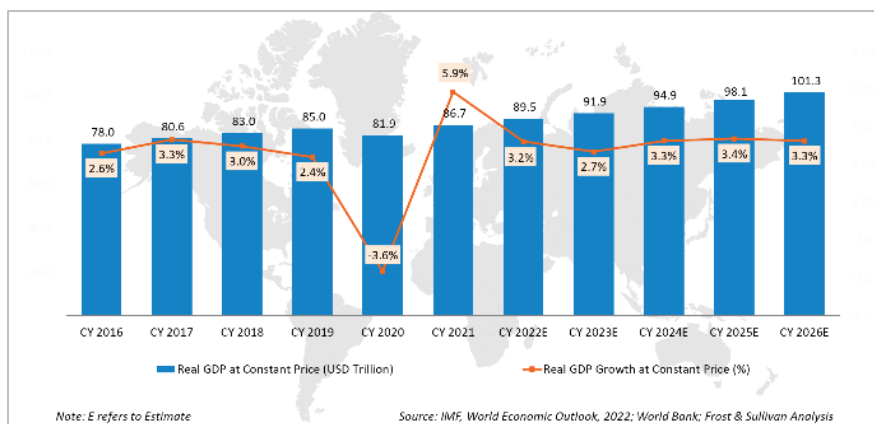
### GLOBAL REAL GDP AND GROWTH OUTLOOK

After almost one and half years of slowdown, most of the global economies have registered strong growth in CY 2021 and now it is on the path of stabilization and growth. Globally, economic sentiment remains largely positive, and economic conditions in their respective countries and around the world are improving. Global and domestic conditions are expected to improve in the months ahead.

Since the early months of CY2022, the global economy has been in a reasonably strong position, and the major economies—the United States, China, and Europe - have all managed to regain their pre-pandemic levels. After gaining experience from the past, all governments have taken the steps they need to deal with similar events in the future. Pent-up demand, caused by economic stagnation and improvement in the supply situation, has resulted in the most robust post-recession recovery.

Global economic powerhouses such as World Bank, IMF and others have projected a stable growth outlook for the global economy till CY2026. The global real GDP is expected to grow at a CAGR of 3.7% (real GDP) from CY2021 to CY2026.

**Chart 1. Global real GDP and real GDP growth (annual percentage change), Global, value in USD trillion, growth in %, CY2017-CY2026E**



In CY 2021, the global economy grew by 5.9%, owing largely to the inherent strength of the major economies such as the United States, China, Japan, Germany, United Kingdom, and India. While global economic conditions are improving and sentiment remains largely positive, concerns regarding rising inflation remain widespread, as Russia invaded Ukraine at the start of CY 2022. One of the most important effects of this war would be on commodity prices. F&S further expects the war to spike global fuel inflation and cause recessions in nearby regions. The impact of the above events has been estimated F&S' model to arrive at a realistic real GDP number by 2026.

### **Real GDP growth of Key Economies**

Globally, business scenario has improved significantly and most of the economies have bounced back to 2019 levels by 2021 or beginning of 2022. Governments across the world have created necessary healthcare infrastructure to curb the spread of the virus and any future outbreak, more than 12 billion vaccine doses have already been administered, and public at large have learnt to live with this menace.

Impact of the pandemic on the world economy has been softened significantly. Highly transmissible strain the 'Omicron' and its other mutations caused spike in the number of cases in the recent months and large economies especially China imposed strict lockdowns to curb the spread. This in turn has disrupted supply and demand for a variety of semiconductor companies amid broader challenges created by the on-going global chip shortage. Governments across different parts of the world have taken timely precautionary measures and have been successful in minimizing its impact on economy.

However, the ongoing conflict between Russia and Ukraine is having some consequences for the global economy, which is just recovering from the stress of the novel corona virus. Both Russia and Ukraine are major commodity producers, and disruptions there have resulted in soaring global prices, especially that of oil and natural gas.

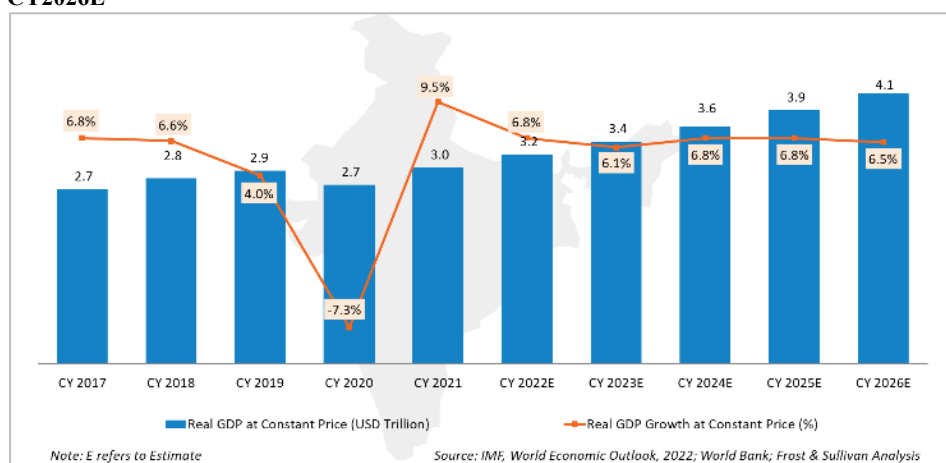
### **Overview of Indian Economy**

The Indian economy continued to grow between 2017 and 2019. However, there was a moderation in the growth rate during these years. As the Government was taking various measures to counter this slowdown, COVID-19 created havoc in 2020 which resulted in ~ 7.3% contraction of the country's economy. This was worst ever economic performance by India, worst year in terms of economic contraction in the country's history and much worse than the overall contraction in the world. Unemployment rate was more than 20% in April and May 2020 and individual income dropped by more than 40% during this period.

As the government had taken various measures to counter the slowdown, created due to the COVID-19 pandemic, it has shown signs of recovery from mid of CY2021. The country has shown tremendous resilience, and macroeconomic indicators have started improving gradually since Q3 CY2021. The country grew by 9.5% in CY2021 and is expected to grow by 8.5% in CY2022, owing to strong macroeconomic fundamentals such as moderate inflation, the implementation of key structural reforms, and improved fiscal and monetary policies. Among all large economies, India is likely to demonstrate rapid and sustainable growth post COVID-19, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector.

Manufacturing has emerged one of focus area for the government. India has emerged as the second most sought after manufacturing destination across the world indicating the growing interest shown by manufacturers in India as a preferred manufacturing hub over other countries, including the U.S and those in the Asia-Pacific region, showed Cushman & Wakefield's 2021 Global Manufacturing Risk Index

**Chart 2.: Real GDP and real GDP growth (annual percentage change), India, value in USD trillion, growth in %, CY2017-CY2026E**



Indian economic growth ended on a positive note in FY22, outperforming many other major economies, as the pandemic faded. The government has been promoting structural reforms (as part of the FY22 budget), such as a focus on disinvestment and higher FDI limits, while also working on a national logistics policy. These reforms are critical for accelerating the post-pandemic economic recovery.

The outlook for FY23 is also positive, with the real GDP of the Indian economy expected to grow by 6.6%. The government has implemented a slew of measures to get the economy back on track. Through various policy initiatives such as Atmanirbhar Bharat and PLI schemes, there is emphasis on the growth of the domestic manufacturing sector. These initiatives will assist the economy in achieving medium-term stable growth by FY26.

According to Frost and Sullivan's analysis, despite the ongoing war between Russia – Ukraine, India has limited direct exposure. The impact of the Russia – Ukraine war will be a combination of some supply disruptions and the ongoing terms of trade shock that will likely phase-out in the coming months.

## GLOBAL ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY OVERVIEW

### Introduction to Electronics Manufacturing Services (EMS) Industry

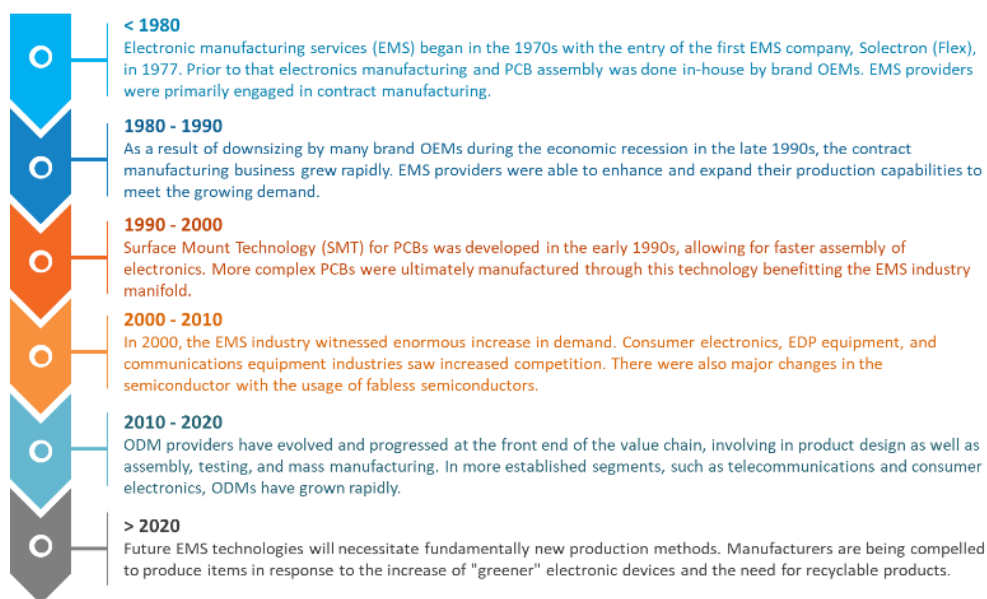
The global electronics manufacturing services market is traditionally comprised of companies that manufacture electronic products, predominantly assembling components on printed circuit boards (PCBs) and box builds for major brands. Today, brands are seeing more value from EMS companies, leading to involvement beyond just manufacturing services to include product design and development, testing, and aftersales services such as repair, remanufacturing, marketing, and product lifecycle management.

### Evolution of Global EMS industry

The EMS market was established more than five decades ago to execute manufacturing designs from government, defence, and research institutions. As the years progressed, the EMS market grew to support the demand that exceeded the manufacturing capacity of the brands. By the mid-1990s, the advantages of the EMS concept became extremely evident and major brands started outsourcing PCB assembly on a large scale. By the end of the 1990s and early 2000s, several brands having their own manufacturing facilities sold their assembly plants to the EMS players, aggressively striving for market share. A wave of partnerships followed as the more cash-rich EMS companies started buying the existing plants and the smaller EMS companies to consolidate their position in the global market.



**Chart 3.: Evolution of EMS industry, Global, CY2022**

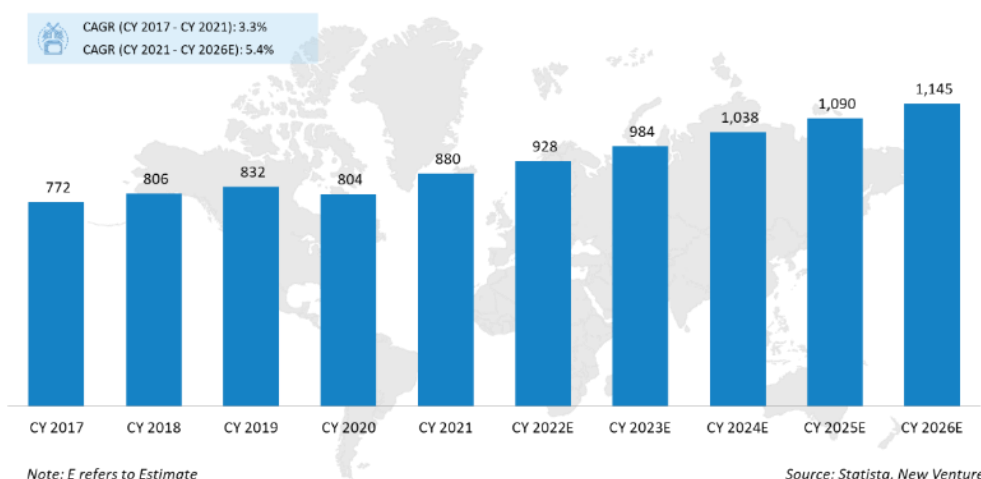


Source: Frost & Sullivan Analysis

As the technology advances, the size of the components and the circuits usually becomes smaller. With the demand for the novel features and products growing up in recent years, manufacturers are turning towards more state-of-the-art and sophisticated technical solutions to streamline their manufacturing processes. Electronics manufacturing is observing substantial traction in the adoption of the advanced robots, due to their capability to perform tasks at enhanced precision levels. Artificial intelligence is another transformative technology in the EMS segment, primarily changing the way a machine functions and interconnect. Partnerships, mergers, agreements, and other types of strategic initiatives are becoming more and more prevalent among the brands, EMS providers, OEMs, ODMs, and stakeholders as they work to familiarize to the speedy transitions in the manufacturing space.

## Overview of global EMS industry

**Chart 4.: Global EMS industry market size, value in USD billion, CY2017-CY2026E**



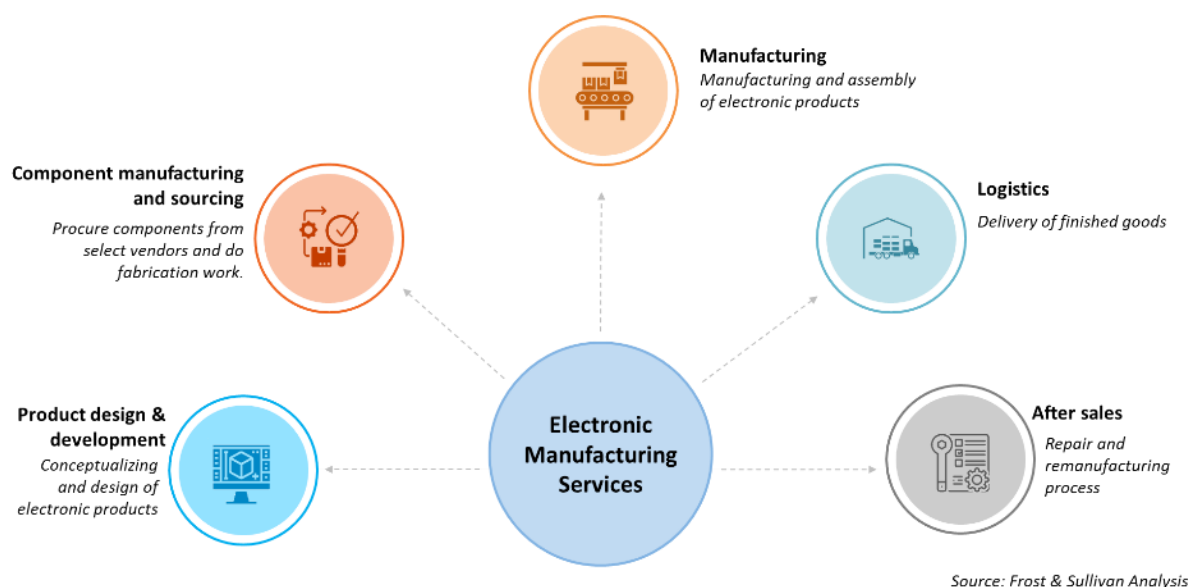
Source: Statista, New Venture Research, Frost & Sullivan Analysis

The global EMS market was estimated at USD 880 billion in 2021 and is expected to grow at a CAGR of 5.4% to reach USD 1,145 Billion in CY 2026. The global EMS market witnessed a period of steady growth till CY 2018, riding on the wave of increased outsourcing activities from OEMs and increasing electronics content. However, in CY 2019, the opportunities started stagnating due to multitude of factors, including (i) decline of global automotive sales and saturation of consumer electronic sales, (ii) supply chain restriction due to heightened trade tensions between the United States and China, and (iii) the COVID-19 pandemic. EMS industry recorded a 3.4 % decline in CY 2020. Impact on the industry was

expected to be higher; however certain factors worked in favour of the industry. These factors include (i) the pent-up demand created by the need for life-sustaining medical devices, (ii) the work-from-home economy, which created demand for smartphones, tablets, and laptops, and (iii) the push for climate change, which created demand for digitalization or digital software/products/solutions that can track, monitor, measure and verify sustainability initiatives.

As the technology advances, the size of the components and the circuits usually becomes smaller. With the demand for the novel features and products growing up in recent years, manufacturers are turning towards more state-of-the-art and sophisticated technical solutions to streamline their manufacturing processes.

**Chart 5. Range of services offered by EMS companies globally**



EMS companies are equipped to provide a gamut of services which include design, assembly, manufacturing, and testing of electronic components for brands. These companies can be contracted at different points in the manufacturing process. While large EMS companies have the capability to offer an entire range of services starting from design, sourcing of components, assembly, and testing (also known as ODM), small and mid-size EMS companies offer primarily assembly and testing services.

Electronic manufacturing contains different levels of automation, depending on the capability of the service providers and the projects they can deliver. Corporations that yield large runs of products, typically employ heavily automated manufacturing. Service providers who specialise in the small production or prototypes, runs manual assembly of Printed Circuit Boards to save time and cost. Electronics manufacturing services differ by the service providers and an EMS company can provide any combination of the following: product design, prototyping, sourcing of components, PCB assembly, cable assembly, electromechanical assembly, box assembly, testing, and aftermarket services.

Globally the EMS market is well established, and most service providers have high maturity levels in component fabrication, system assembly and testing. In the last few decades, the market has expanded to offer design and development services and after sales services such as repair and remanufacture, marketing, and product lifecycle management. Recently, some market participants have even started offering software solutions due to the increased penetration of digitization in the end markets they serve.

### Drivers and Challenges for the growth of Global EMS industry

#### Drivers

- Technological advancements and acceptance of smart home devices
- Greater Emphasis on Vehicle Electrification
- Technological upgrade of facilities
- Product development activities
- COVID-19 induced pent-up demand

**Technological advancements:** The development of new manufacturing technologies and the emerging end-use sectors,

such as the Internet of Things, are expected to boost demand for the EMS industry. The use of smart lighting has also been on the rise in the past few years. The IoT technology in lighting has potential to grow not just in office buildings but also in warehouses, commercial parking areas, healthcare facilities, educational facilities, and retail outlets. As LED lights are naturally friendly to digital controls (they include a semiconductor to produce light), they are perfectly suited for IoT applications. Growth of the smart lighting market is owed to the government's push in terms of the 'Smart City Mission', and 'Digital India' programs, as well as rising adoption of smart homes across the country.

Major manufacturers are strengthening their R&D investment to differentiate their products and attract new end-use applications. The rising popularity of smart home devices raises very high expectations for EMS companies. In the United States, companies provide electronic manufacturing services that include developing optoelectronics, radio frequency and wireless devices, and microelectronics devices for the rapidly growing smart home sector. Key market participants are focusing on increasing production volumes by combining cloud computing, artificial intelligence, big data analysis, and 3D printing to produce connected devices for smart homes.

**Greater emphasis on vehicle electrification:** The (EV) Electric Vehicle market will be the most lucrative in the automotive industry over the next decade. With an ever-increasing electronic content in each car, energy-related modules, and sub-assemblies, as well as charging infrastructure, which requires an overall ecosystem; it is a paving out major potential for EMS firms to enter this fast-developing industry and serve the leading EV manufacturers. Across the world, incentives are provided by the respective government to encourage people to purchase electric vehicles. For instance, grants are highly popular in the United Kingdom, China, the United States, Germany, and even Norway, among other places, to reduce air pollution and promote a more sustainable way of life. As the number and complexity of PCBAs in electric vehicles are significantly higher than in typical ICE vehicles, this growth represents a huge potential for EMS businesses to offer electronic manufacturing and mass production services to automakers.

**Technological upgrade of facilities:** EMS companies are investing in the technological up gradation of their facilities by adopting digitization and industry 4.0 concepts. This will improve productivity and capacity, thus acquiring the capability to get more contracts. Many of the market participants are progressing in this direction; hence, this factor will evolve into a significant driver in the mid to long-term.

**Product development activities:** The dependence created by electronics in product development activities across all verticals will turn out to be a significant driver for EMS, especially in consumer electronics and automotive segments, where new devices and systems are being developed. As the electronic content increases, the volume of manufacturing will increase, driving the market.

**COVID-19 induced pent-up demand for medical devices:** Accelerated demand of medical devices post Covid-19 has currently increased the requirement for EMS services. This will subside in the mid to long-term once inventory is created. Also, major medical device manufacturers are very keen to design and manufacture smaller and smarter medical devices that integrate new technologies like IoT and other electronics-embedded features. Furthermore, the growing demand for the wearable and the smart medical devices is pushing the need for smaller, flexible, and light-weight products in the healthcare business.

#### **Challenges / market restraints**

- **Presence of market participants is high**
- **Shrinking operating margin**
- **Complex structure and delay in supply chain**
- **Shortened product lifecycles and uncertain demand**
- **Regulations and Violations of IP**

**Presence of market participants is high:** The existence of a high number of market participants in all areas results in competitive pricing, which reduces market revenue potential. Despite the fact that the market is seeing a number of mergers and acquisitions, Frost & Sullivan does not foresee a substantial beneficial impact.

**Shrinking operating margin:** Most of the market participants face challenges with respect to the operating margin. In the EMS industry, profit margins are relatively low. A low operating margin is viewed as an impediment to growth and expansion plans. Currently, low profit margin is viewed as a significant restraining factor for the EMS market. However, in the long run, as overall demand increases, market participants are expected to be able to expand through technological investments.

**Complex structure and delay in supply chain:** Manufacturing businesses must adhere to global standards since they rely on a wide range of suppliers, both local and international. The operational constraints are compliance with rigorous

government and industry regulations, as well as the concern of traceability. It is uncommon for a product's components to traverse across several continents before reaching the market. Supply chain delays causing shortage of components are likely to impact the revenue in the short term. Overall, the impact of transformation is very low in the mid and long terms.

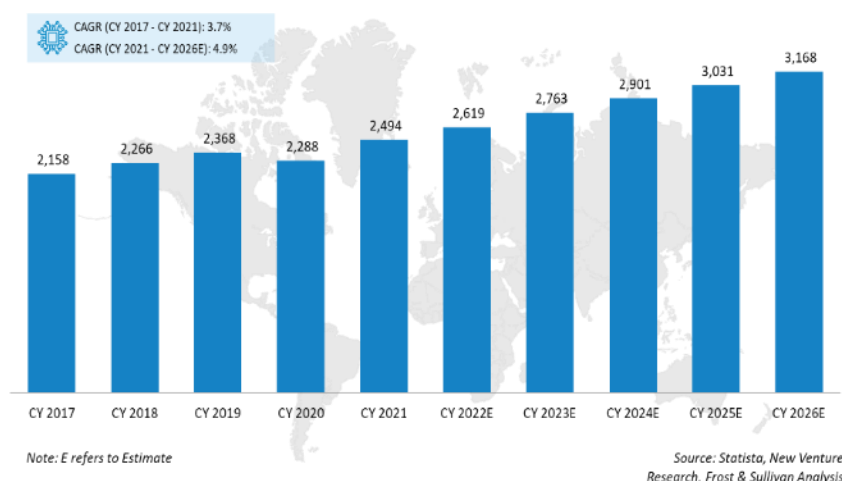
**Shortened product lifecycles and uncertain demand:** Customer preferences and interests continue to evolve at a breakneck pace. An active new product launch procedure is required for EMS companies. To launch the items on schedule while fulfilling quality and volume objectives, a collaborative effort across different sections is required. Production is always based on the customer demand, which can be both unstable and cyclic. The industrial sector should be able to handle the rise in demand if it reaches exceptional heights. If demand falls, companies must have a strategy in place for the idle raw materials or machinery.

**Regulations and Violations of IP:** Local stringent laws and trade pricing are having an influence on the EMS sector, driving OEMs to build in-house manufacturing capabilities. In addition, an increasing number of cases on infringement of intellectual property rights are posing a serious threat to EMS companies.

### Size of global electronics industry and outlook

The global electronics industry has evolved tremendously over the last 60 years. Global demand for electronics industry is created by emerging and multiple disruptive technologies. The overall electronics market is inclusive of electronics products, electronics design, electronics components, and electronics manufacturing services. Traditionally a strong growth market however, the market contracted by 3.4% in 2020, owing mostly to decline in private expenditure triggered by the COVID-19 pandemic.

**Chart 6.: Overall Electronics Industry, Global, Value in USD Billion, Growth in %, CY2017-CY2026E**



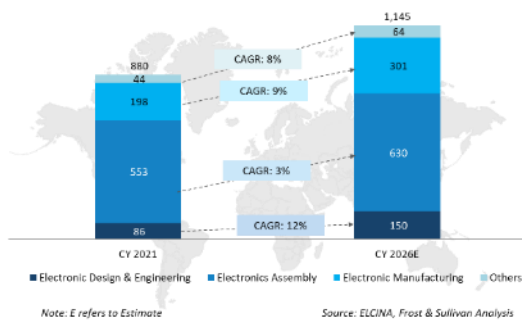
The global electronics industry was valued at USD 2,288 billion in 2020 and grew to USD 2,494 billion in 2021. As per Frost & Sullivan analysis, the industry is expected to grow at a CAGR of 4.9% from CY2021 to reach USD 3,168 billion by CY2026. Some of the critical factors driving this growth are expected to be: -

- Increasing disposable income and rising demand for electronics from rural markets;
- Inclination of youth towards next gen technologies;
- Emergence of e-commerce;
- Pent-up demand created by the need for life-sustaining medical devices;
- Prevalence of the work-from-home economy, which created demand for smartphones, tablets, and laptops and improved acceptability of audio and video conferences;
- Increasing use of data has resulted in increased demand for large domestic servers and growth in data analytics also increased growth of use of data servers, which in turn creates demand for electronics;
- Adoption of Industry 4.0 across manufacturing segments;
- Higher internet broadband penetration and growth in 4G/ 5G networks;
- Increasing adoption of clean energy/ renewable energy;
- The push for climate change, which created demand for digitalization or digital software, products, or solutions that can track, monitor, measure, and verify sustainability initiatives.

### Global EMS market dynamics

#### A. By services

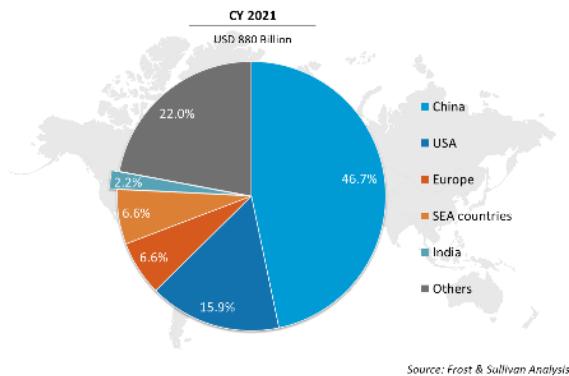
**Chart 7.: EMS market break-up by services, Global, value in USD billion, CY2021 and CY2026E**



Large EMS companies who have mastered the art of manufacturing and assembly, are now trying to move up in the value chain and planning to offer additional services such as design, testing and sourcing of components – In short, the industry is moving from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM). The share of ODM business is likely to increase from 9.7% in 2020 to 13% in 2026.

## B. By geography

**Chart 8.: EMS market break-up by select countries, Global, value in USD billion, in %, CY2021**

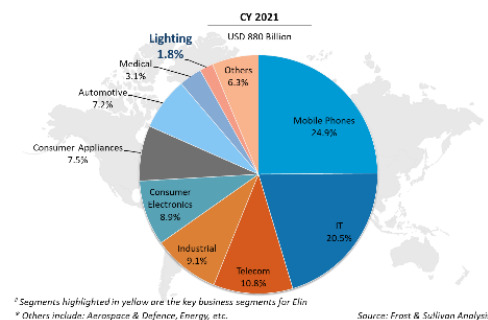


China leads the global EMS business with almost 46.7% share. Its dominance in the global market is attributed to a blend of cost effectiveness and technological leadership in electronics manufacturing. It is a high growth region due to operational cost benefits, availability of a large number of highly skilled personnel, infrastructure, logistical advantages, and proximity to the largest end-user base across all end-user verticals. However, post COVID-19 pandemic, many global electronics manufacturers are contemplating on China + 1 strategy and looking for alternate manufacturing locations for exports business. This is creating tremendous investment potential for countries like Vietnam, India, and Philippines etc. India contributes to approximately 2.2% of the

global EMS market in 2021. However, there is a strong push from the government to make India an ideal location for Electronics manufacturing in the region. Under the National Policy on Electronics (NPE), India announced various programmes in 2019, including Modified Electronics Manufacturing Clusters (EMC 2.0), to enhance the infrastructure of electronics manufacturing and offer incentives to manufacture more products that promote EMS in India. The production linked incentive (PLI) program, which benefited electronics manufacturing firms, was introduced in 2020. In the southern state of Tamil Nadu, in Chennai, an EMS corridor is being built. The EMC Smart City investment in Greater Noida is planned at USD 162.7 million. Jabil, Dixon, Flextronics, SFO, Elin Electronics, Rangsons, Kaynes, and Centum are among the companies that have invested in manufacturing capacity as a result of Make in India policy efforts.

**Chart 9.: EMS market break-up by select countries, Global, value in USD billion, CY2017, CY2021 and CY2026E**

## C. By end-user segments



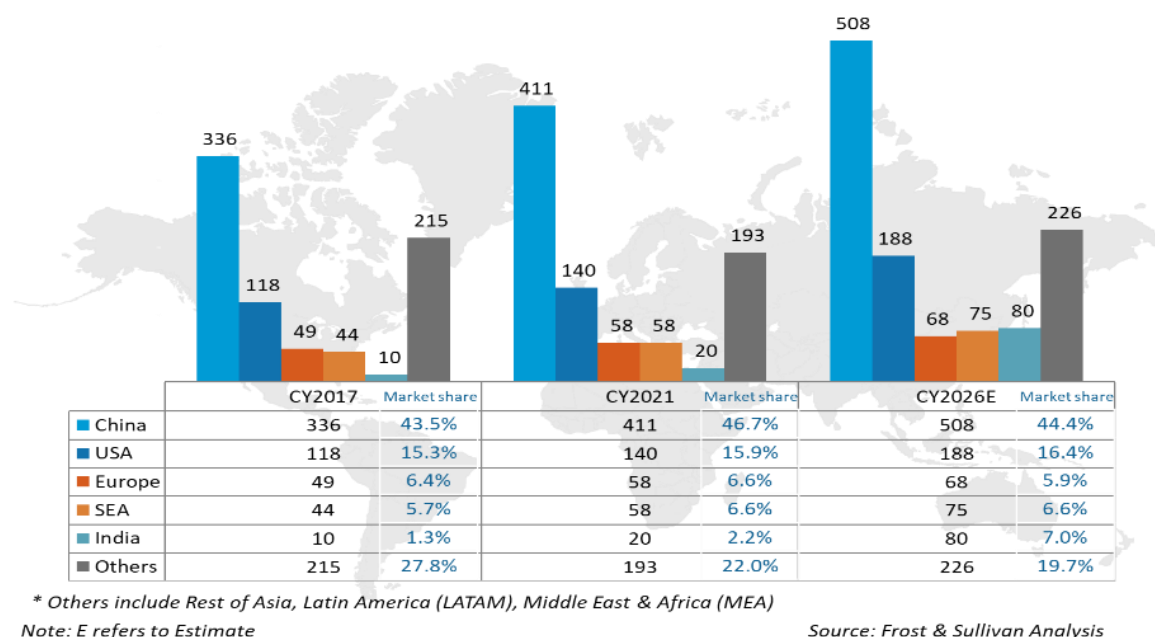
The use of LED lighting has grown from substantially over the last decade, mainly driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources. Rising demand for smart solutions will fuel future growth. Smart LED lights have rapidly entered the residential market and achieved widespread commercial adoption.

Consumer appliances have had a consistent performance in the last few years, which is aided by economic growth in advanced economies and developing countries. EMS manufacturers have also profited from rising consumer spending and technological improvements.

Furthermore, brands and EMS manufacturers are progressively supplying both premium and mid-range appliances in order to meet the growing demand for both product categories.

Automotive is one of the key growth opportunity verticals for EMS providers in the next five years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of EMS revenue from this vertical. Medical devices electronics manufacturing services are a key revenue opportunity in the others segment. Though the COVID-19 pandemic had created a surge in demand for EMS in this vertical, it is important to carefully assess the demand level for the mid and long terms.

**Chart 10.: EMS market break-up by industry applications, Global, value in USD billion, CY2021**



**Products included under each industry application:**

- **Mobile Phones:** Smart Phones and Feature Phones
- **IT:** Computer, Laptops, Tablets, Printers, etc.
- **Telecom:** BTS, GPON, modems, routers, servers, etc.
- **Industrial:** Energy meters, HMS, PLC, SCADA, inverter, etc.
- **Consumer Electronics:** Television, Air Conditioning, Washing Machine, etc.
- **Consumer Appliances:** Small appliances {Fans, Water Heater, etc.} and Kitchen appliances {Mixer-Grinder, Hand-blender, etc.}
- **Automotive:** ABS, AMT, Body Control Modules, Engine Control Unit, etc.
- **Medical:** All related medical electronic equipment
- **Lighting:** CFL, LEO and LCU
- **Others:** Aerospace & Defence, Data centre & Cloud Storage, Energy, etc.

LED lighting has grown from strength to strength over the last decade driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources. Rising demand for smart solutions will fuel future growth. Smart LED lights have rapidly entered the residential market and widespread commercial adoption

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**Geopolitical situation and their impact on the Indian EMS industry**

**US-China Trade War:** Beginning in the early 2017, the Trump government began making threats of tariffs on the Chinese imports. In the month of March of 2018, the administration endorsed its first of three rounds of tariffs which ultimately covered a varied range of Chinese exports comprising manufactured by over 4,500 EMS companies in the country. These



imports from the United States are transferred from China to other countries due to the trade war between these two major economies. Asian countries, especially India, Vietnam, and Indonesia, are likely to benefit more than the rest of the world due to lower wages and their geographical proximity to China.

**Decoupling from China:** For India, decoupling from China policy is not a new phenomenon. In the last decade, India had embarked upon countable opportunities for overcoming large imports from China. India's trade deficit with China however, it remains huge. Nevertheless, some decoupling trends in India also became visible in fiscal 2020, mainly owing to the pandemic which has paved the way for growth of manufacturing in India.

**Rising labour cost in China:** The aspiration level of Chinese workers has increased, and they are focusing on high-tech jobs, leaving gaps in the low end of manufacturing value chain. This has led to scarcity of the labour and a higher cost due to lack of availability of the manpower. As at CY 2020, the average cost of manufacturing labour per day is USD 6.2 in India and USD 28.2 in China, which make manufacturers to move out of China.

**Threat on EMS industry in China:** Over the past few years, China has realized its stake of challenges, and what some individuals recognize as the potential threats to China's current position as the world's biggest EMS host country. Trade tensions, allegations of currency manipulation, and a resurrection of economic patriotism in the United States, United Kingdom and some other western nations have all formed a new level of emphasis and scrutiny on the China's EMS business. On top of these challenging concerns, none of which have been fully resolved, the COVID-19 pandemic has caused major supply disruptions around the world. All of the above issues have been exacerbated by allegations and blame games, resulting in a perfect storm for China's EMS industry. OEMs' need to diversify their supply chain to reduce risk has fuelled the expansion of the EMS industry in countries like India, Vietnam, and Mexico. Mobile phones from brands such as Apple, Xiaomi, Vivo, Oppo etc., which were earlier imported from China, are now manufactured in India. EMS partners of these companies such as Foxconn, Wistron, Pegatron, etc. have all invested in manufacturing facilities in India which have given huge boost to the Indian EMS industry.

**Impact of Global chip shortage on EMS industry:** The global chip supply shortage intensified in 2021 as a result of the COVID-19 pandemic, as major companies across industries have failed to meet the rising demand for electronic goods and components. The Russia-Ukraine war has certainly added to the impact of the semiconductor industry. Key reasons behind the global chip shortage include supply chain disruptions, geographic concentration of electronic manufacturing, rise in demand for digital and electronic products and digital adoption across the world, and a lack of investment in chip production capacity. As a result, the prices of household appliances and electronics have increased. The supply of finished electronic products and components necessary for local manufacturing has been delayed due to prolonged congestion at Chinese ports and a lack of containers. The strong order book of semiconductor companies shows strong demand for semiconductor chip. This will significantly increase capital expenditure to meet this demand. Based on the current timing of capacity ramping, analysts predict that there would be a broad-based oversupply of semiconductors at some point in 2023. The automobile industry is one of the most-affected sectors, along with electronics.

**Global vendor diversification:** Global EMS players have presence in a number of countries and have a diverse range of products and services. Given the magnitude of manufacturing, global companies are expanding their product offerings across countries, through partnerships with multiple vendors rather than depending solely on a single vendor for electronic manufacturing services. Several large brands have announced capacity diversification in India with an aim to expand their manufacturing base. This will certainly help widen their reach and operations across the globe, de-risk their growth potential and also to help maintain a certain level of control over production quality.

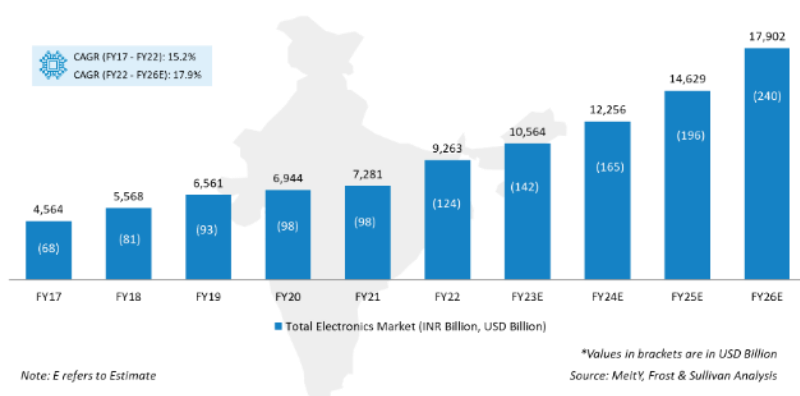
## OVERVIEW OF INDIAN ELECTRONICS INDUSTRY

### Indian Electronics market – historical trends and outlook

Electronics is one of the fastest growing industries in the country. The total electronics market (which includes domestic electronics production and imports of electronic finished goods) in India is valued at INR 9263 billion (USD 124 billion) in Fiscal 2022 and is expected to grow at a CAGR of 17.9% to reach INR 17,902 billion (USD 240 billion) in Fiscal 2026. Domestic production accounted for approximately 69% of the total Indian electronics market in Fiscal 2022, valued at INR 6,376 billion (USD 86 billion), and is expected to grow at a CAGR of 24.2% to reach INR 15,159 billion (USD 203 billion) in Fiscal 2026, owing to various government initiatives to boost domestic electronics manufacturing industry. Also, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. At present, the Indian government is attempting to enhance manufacturing capabilities across multiple electronics sectors and to make the Indian electronics sector globally competitive. 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 Y population, and the adoption of smart devices are some of the key drivers that are fuelling the rapid expansion of this industry.

**Chart 11.: Total Electronics market, value in INR billion, USD billion, India, FY17-FY26E**



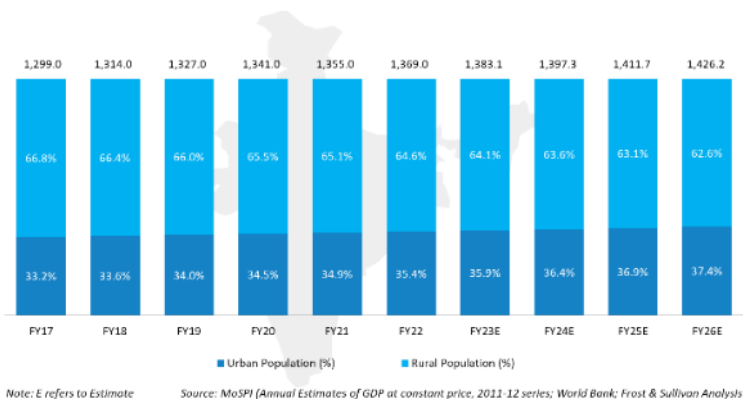
India's demand for electronic items has expanded significantly in recent years, owing mostly to the country's progress in the EMS sector. Low manufacturing costs, together with a skilled workforce and a vast geographical area, are some of the driving elements behind the development of India's electronics ecosystem. Also, the EMS companies are slowly shifting their focus on product mix from high volume low margin products to high margin low volume products.

## Other Key Parameters

### Population and urbanization in India

As at Fiscal 2021, India is the world's second most populous country, with 1.35 billion people, or 17% of the world's total population. India's population is expected to grow at a CAGR of 1.0% between Fiscal 2022 and Fiscal 2026. India's Gen Y constitutes a third of the country's population and will join the working-age group, forming 42% of the total working-age population, by Fiscal 2026. India is in the midst of a massive wave of urbanization. There has been a drastic increase in urban towns and cities in the country over the past few years, primarily driven by a better standard of living and job opportunities in the cities. India's seven largest metropolitan areas – Mumbai, Delhi, Bengaluru, Kolkata, Chennai, Hyderabad, and Ahmedabad—dominate the country's economic landscape.

**Chart 12.: Urban Vs rural population in India, in %, total population in million, India, FY17-FY26E**



Employment opportunities and the opportunity for income generation across newly urbanised towns create a positive outlook for the consumption of electronic products. Urbanization is expected to be a major driver of the overall electronics market's growth, particularly for mobile phones, which are imperative for establishing and maintaining communication with family members. High-end technology adoption also contributes to the growth of consumer electronic devices. The introduction of significant technological transitions such as the Internet of Things (IoT) and 4G/LTE networks is

rapidly increasing consumer electronics adoption. In addition, rural markets will likely see increased demand for consumer electronics as the government aims to invest heavily in rural electrification.

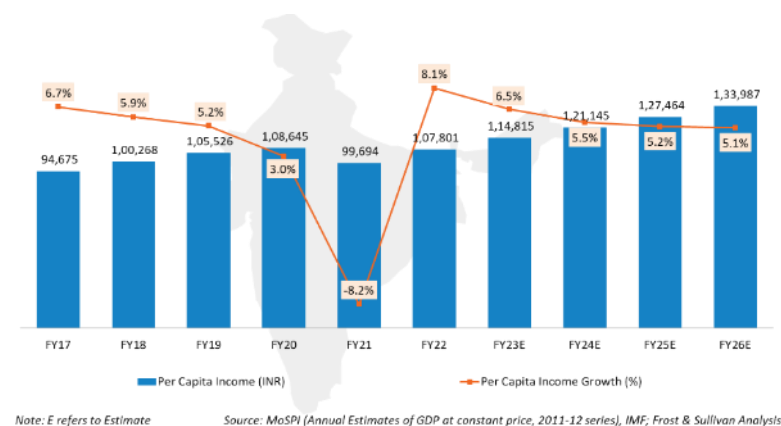
### Per capita income

The per capita income is a broad indicator of prosperity of an economy. India's per capita income, calculated in correlation to Real GDP, was INR 99,694 during Fiscal 2021, as compared to INR 108,645 in Fiscal 2020, representing an approximate decline of 8.2%. As the economy is reviving, the per capita income increased by 8.1% during Fiscal 2022 to reach INR 107,801. Post that, the growth is likely to be stable at approximately 5.6% CAGR over the medium term.



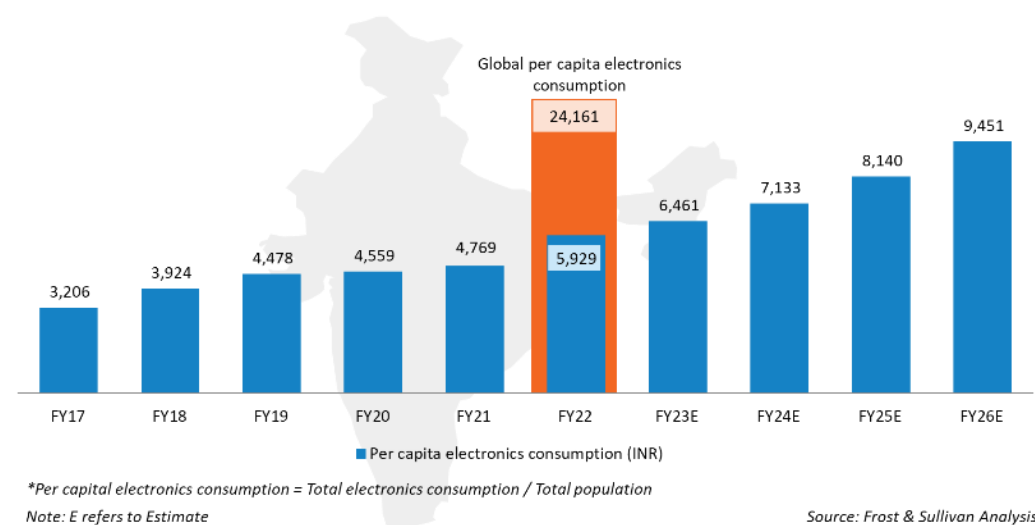
**Chart 13.: Per capita income and growth (annual percentage change), value in INR, growth in %, India, FY17-FY26E**

### Per capita Electronics consumption



India's per capita electronic usage is low compared to the worldwide average. Global per capita electronics consumption is 4.1 times that of India. While Indian government has initiated various measures to boost Indian domestic electronics manufacturing industry, the country has also witnessed 13.1% growth in electronics consumption between Fiscal 2017 and Fiscal 2022. Long term growth outlook for the industry is extremely positive, primarily because market penetration for many electronics products is still very low compared to global average. In addition, the growth of India's per capita electronic usage is expected to be driven by stable growth outlook for the economy, Digital India programme, rising disposable incomes (proportion of mid & high-income earners expected to increase from 64% in Fiscal 2021 to 85% in Fiscal 2030), changing lifestyles, emerging work from home culture, expansion of organized retails to tier 2 & tier 3 cities<sup>1</sup>, improving electricity and internet infrastructure, and better logistics infrastructure. It is with these strong fundamentals, many global electronics brands along with their supply chain partners have invested in electronics manufacturing infrastructure in the recent years and India is ready to become an important electronics manufacturing hub in the coming years. At a global level, the per capita electronics consumption is increasing.

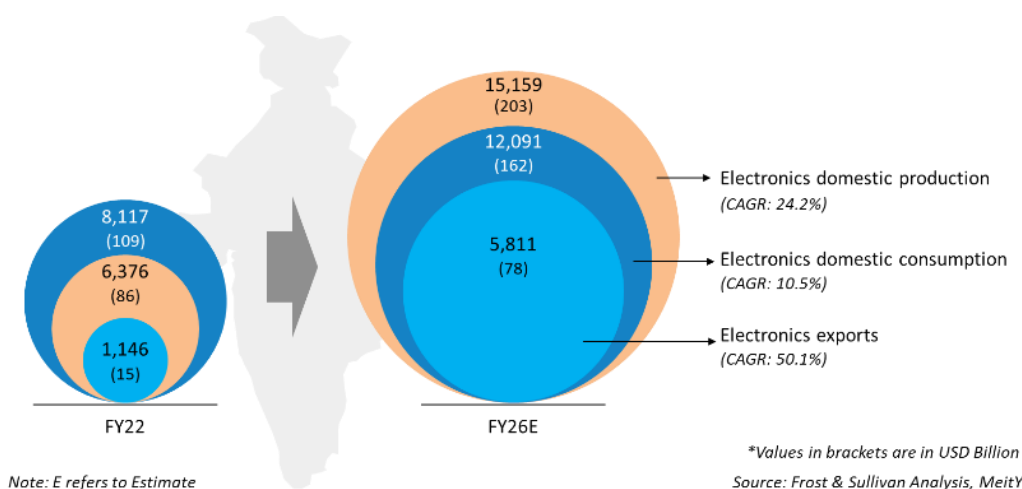
**Chart 14.: Per capita Electronics consumption, value in INR, India, FY17-FY26E**



### Trends in Electronics consumption vs. share of domestic production

**Chart 15.: Indian electronics market – Domestic production vs. consumption vs. exports, value in INR billion, USD billion, India, FY22 and FY26E**

<sup>1</sup> Tier classification of cities - As per RBI, Indian cities are classified as tier 1, 2 and 3 based on the size of population. Tier 1 (> 100,000); Tier 2 (50,000-100,000); Tier 3 (20,000-50,000)



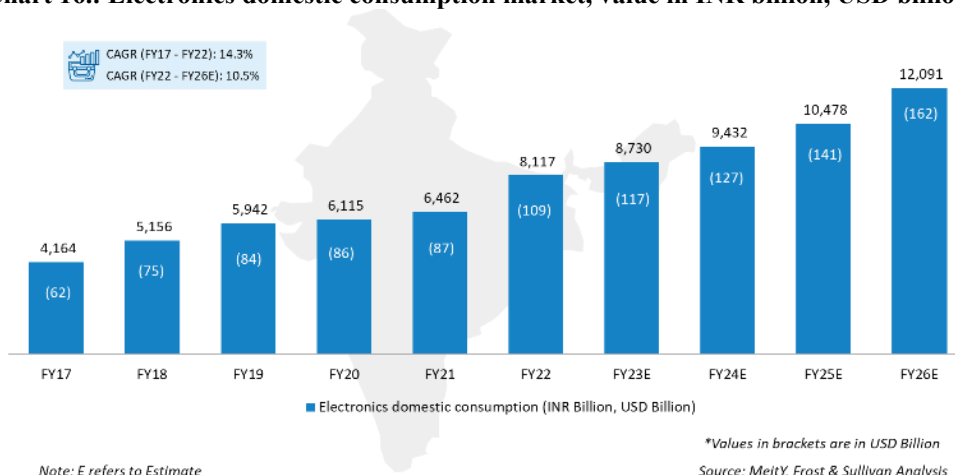
The Indian government has taken steps to enhancing manufacturing capability within India, such as imposing customs duty for certain products or removal of duties on components. The government has also taken several steps towards increasing the ease of doing business, which has resulted in increased manufacturing setups by multiple foreign manufacturers in the country. This environment has certainly encouraged the EMS/ ODM market as electronics brands/ OEMs continue to push for collaboration and partnership.

In recent years, India's demand for electronic products has increased substantially, primarily due to India's development in the EMS segment. Low manufacturing costs together with skilled workforce and a vast geographical area are some of the driving forces behind India's electronics ecosystem development. India is currently the world's second largest mobile phone manufacturer, and the Indian start-up ecosystem is still expanding, with the potential that Indian start-ups have shown a huge opportunity for India.

#### A. Consumption of Electronics products in India

The electronics consumption market in India is estimated at INR 8,117 billion (USD 109 billion) in Fiscal 2022 and is expected to grow at CAGR of 10.5% to reach INR 12,091 billion (USD 162 billion) by Fiscal 2026. India's vast consumer base is one of the largest in the Asia-Pacific region, and the country's electronics industry is one of the fastest growing in the world.

**Chart 16.: Electronics domestic consumption market, value in INR billion, USD billion, India, FY17-FY26E**



The major product segments of the Indian electronics consumption market include the following: -

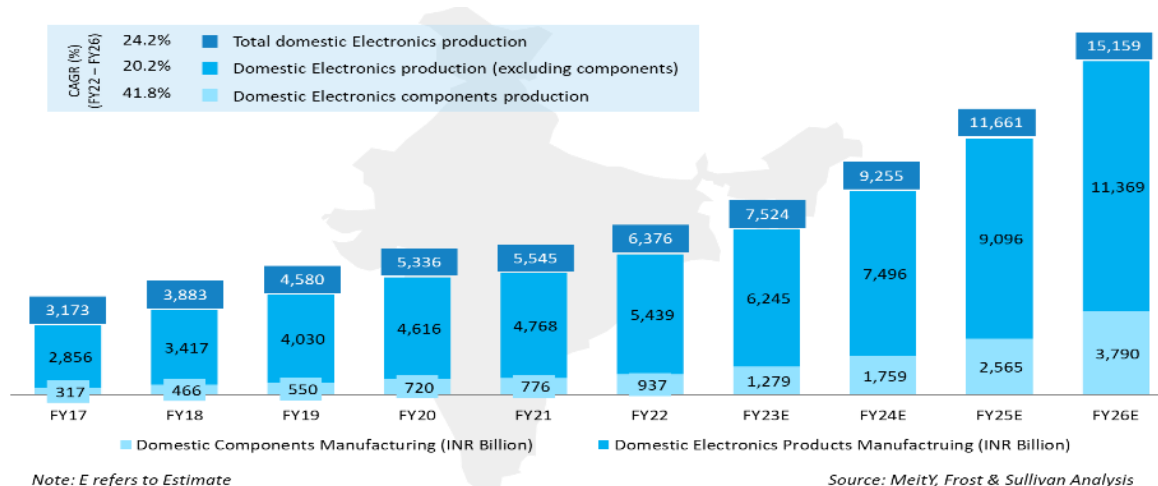
- **LED Lights:** Supported by the recent Government initiatives and changing consumer preference, LED lighting industry has grown significantly over the last decade, primarily driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources. India is expected to become more cost competitive compared to China on account of its lower labour costs, greater levels of localization, automated processes in manufacturing,

and a weakening Indian Rupee.

- **Consumer electronics:** It is one of the largest segments which have a broad category of electronic products that includes televisions, cameras, audio players, and a range of other household items. Growing awareness, greater access, changing lifestyles, higher discretionary incomes, and reduction in per unit prices are the key drivers of this consumer electronics segment.
- **Mobile phones:** In this segment, with introduction of new smartphone models along with better availability, declining prices and increased customer spending are causing increased mobile phone penetration in India. Mobile phone penetration in India has increased further as a result of the proliferation of mobile data networks, a widespread distribution network, and support from e-commerce websites.
- **Telecom and Networking Products:** The growth of the telecom and networking products segment is driven by the need for deep penetration of broadband networks and availability of mobile telephony. The Indian government's push for the availability of broadband in remote areas of the country is a key demand driver for the telecom segment. In addition, the increasing focus on the 5G sector is driving this segment.
- **IT Hardware:** Availability of broadband in remote areas of the country is a key demand driver for entry level notebooks and desktops. Due to the pandemic, the work-from-home lifestyle for office workers and online education for school children have created a lot of opportunities for the IT hardware market in India.
- **Automotive (including EV):** The automotive industry's innovation and development in environmental sustainability and digitalization is taking centre stage. Four megatrends i.e., Connected, Autonomous, Shared and Electric (CASE), are driving the transformation in global automotive industry. Electric vehicles are already a reality, and this decade will see significant proliferation and dominance in the automotive mix. Customer preferences for an in-vehicle digital experience, along with an increase in embedded connected services, will continue revolutionize the sector. Digitalization would be at the centre of this evolution, and this would drive higher usage of electronics components in the automotive sector.

## B. Indian Electronics domestic production

**Chart 17.: Total domestic Electronics production market (including and excluding components), value in INR billion, India, FY17-FY26E**

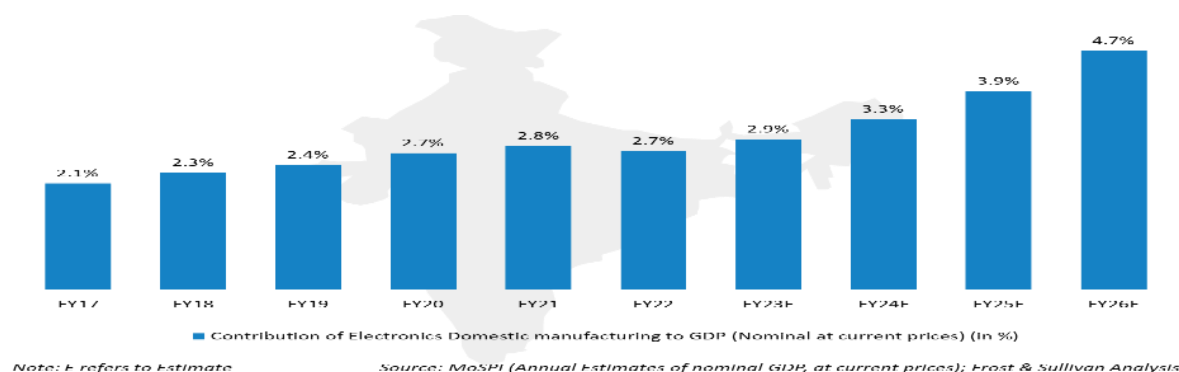


Electronics production in India is estimated at INR 6,376 billion (USD 86 billion) in Fiscal 2022 and is expected to grow at a CAGR of 24.2% to reach INR 15,159 billion (USD 203 billion) by Fiscal 2026. India has the potential to be one of the most attractive manufacturing destinations and support the objective of “Make in India for the World”. To improve the manufacturing capability of the electronics industry, the government of India has taken several initiatives and developed a series of policies to build the complete electronics manufacturing ecosystem in the country.

The success of the PLI scheme for the electronics segment in large-scale manufacturing of electronic products is being viewed with great confidence. Similarly, the National Policy on Electronics (NPE) aims to make India a global hub for

electronic system design and manufacturing and has fixed some aspirational targets. The growth of the consumer electronics and appliances, the automotive sector, lighting, electronic components, and the medical electronics sector is expected to drive the growth of electronics manufacturing in India.

**Chart 18.: Contribution of Electronics domestic production (including components) to Indian GDP, in %, India, FY17-FY26E**



The biggest challenge for India is to make a fast transition to the manufacturing of high-technology electronics. Electronic products do need continuous design modifications, as end-users expect creativity and continuous innovation. Consequently, the design and development of electronics products is often undertaken by ODMs. The earlier a brand engages an ODM for product design and development services, the sooner the product enters high-volume production.

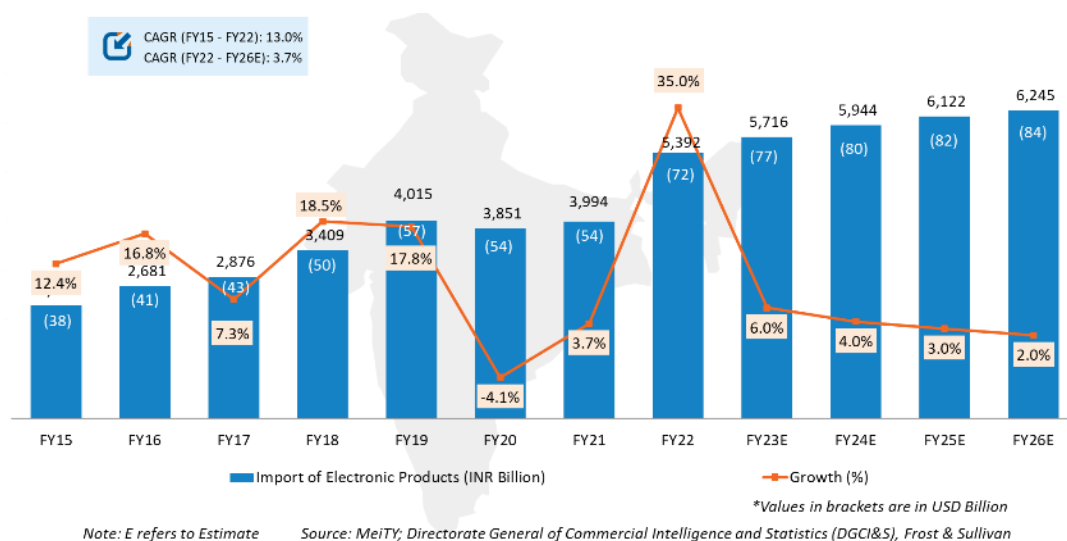
In Fiscal 2022, the electronics production in India contributed to 2.7% of the nominal GDP (at current prices), which is expected to increase to around 4.7% by Fiscal 2026. The Indian government's objective is to provide domestic manufacturers with a better operating environment to make them competitive with imports into the industry by simplifying the tariff system, simplifying the procedures involved in importing raw materials/components into the country, giving incentives, and improving operating infrastructure. Given that there is considerable high value-added manufacturing takes place in the consumer electronics and appliances segment and most products command high brand quality, there is an excellent opportunity for Indian EMS companies to export.

#### **D. Import of Electronic products in India**

The total import value of electronics products in India was INR 2,296 billion (USD 38 billion) in Fiscal 2015 and INR 3,851 billion (USD 54 billion) in Fiscal 2020. The import value decreased by 4.1%, as compared to INR 4,015 billion (USD 57 billion) in Fiscal 2019, and eventually leapfrogged to INR 5,392 billion (USD72 billion) in Fiscal 2022. Shortage of chips have slowed down domestic manufacturing in the last quarter of Fiscal 2022, which resulted into higher imports of electronics products. China and Hong Kong accounted for approximately 62.5% of India's total electronic imports in Fiscal 2022. Most of the semiconductor demand is now fulfilled by imports from the United States, Japan, and Taiwan. The government is developing electronics manufacturing clusters (EMCs) around the country to provide world-class infrastructure and facilities to minimise reliance on imports.

The electronics industry relies extensively on Chinese suppliers, especially in the consumer electronics, industrial electronics, computer and IT hardware, strategic electronics, and light emitting diodes segments. Presently, a substantial share of finished LED lighting products is imported from China in the organised market, and this could be much higher in case of the unorganized market. The prices of Made in India products are going up as components imported from China are getting expensive. While the production linked incentive (PLI) scheme is likely to benefit the existing manufacturers to expand their production base, there is no financial incentive to reduce import from China.

**Chart 19.: Import of Electronic products, INR billion, USD billion, India, FY15-FY26E**



In the laptops and notebooks segment, almost all the components used are completely imported or as semi-knocked down units from China and Thailand. Mobile phones contribute to around 2.1% of the total import value. In GPON (Telecom and Networking Products) and CCTV segments, the components are imported from China and Taiwan. Despite the government's efforts to build India's electronics ecosystem, domestic manufacturers' reliance on China for components persists. This reliance is expected to decrease slowly as the localization of production for these products increased with the opening of new manufacturing facilities.

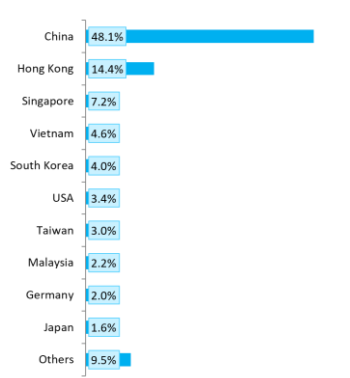
Indian electronics import is expected to grow at a CAGR of 3.7% between Fiscal 2022 and Fiscal 2026, while Indian domestic electronics manufacturing is expected to grow a CAGR of 24.2% during the same period. This shows lesser reliability on import and increasing dependability on domestic components and EMS in the coming years.

**Chart 20. List of top 10 imported Electronic products by value, India, FY22**



Source: Export-Import Data Bank, Frost & Sullivan Analysis

**Import of Electronic products by key countries, value in %, FY22**



Source: Ministry of Commerce & Industry, Govt. of India

## Export of Electronic products from India

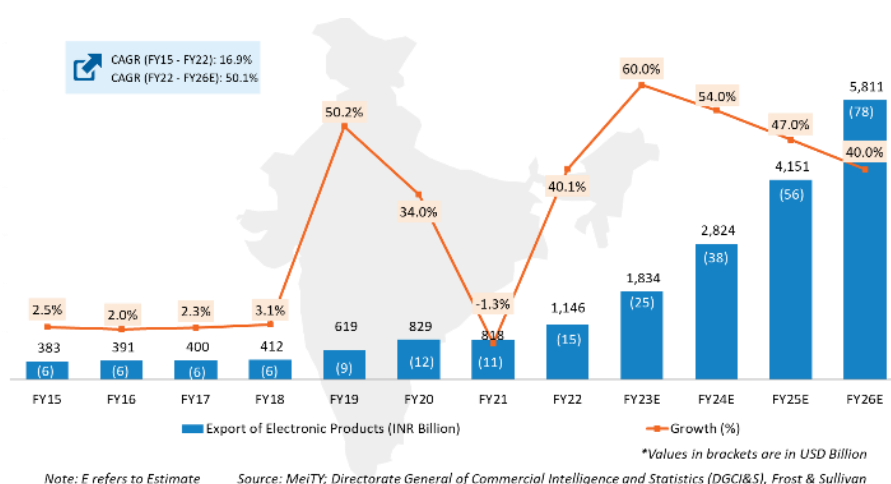
The total export value of electronic products from India in Fiscal 2015 was INR 383 billion (USD 6 billion) and INR 1146 billion (USD 15 billion) in Fiscal 2022. The value of exports increased by 40.1% in Fiscal 2022 as compared to Fiscal 2021. The export market is expected to grow substantially in next five years at a CAGR of 50.1%, owing to various government initiatives such as PLI scheme, Atmanirbhar Bharat which facilitates the domestic manufacturing. India's exported its LED lights to approximately 70 countries in 2014. This number grew to more than 100 countries in 2022. Among countries importing LED lights from India, the fastest growing markets were Nepal, the United States, and United Arab Emirates.

The top three leading products in the electronic products export category are mobile phones, engine control units, and

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

An increase in design and manufacturing capabilities has led to export opportunities for some product segments. Jabil, Nainko, Dixon, and Kortek electronics are some of the EMS companies manufacturing Set Top Boxes in India, though they primarily cater to the export market. Global players also use domestic manufacturers for EMS services as these manufacturers have in-house manufacturing facilities, as well as R&D and testing facilities. However, many components such as LCDs, relays, communication modules, PCBs, passive components, and microcontrollers are imported. Components such as mechanical components, terminals, brass terminals, and screws are typically locally sourced.

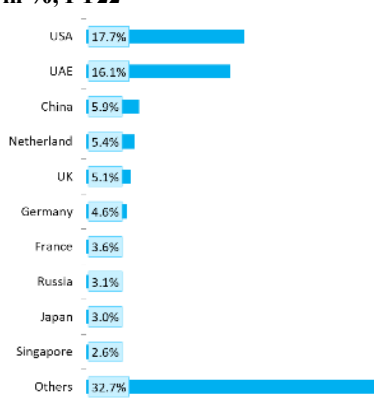
**Chart 21. Export of Electronic products, INR billion, USD billion, India, FY15-FY26E**



**Chart 22. List of top 10 exported Electronic products by value, India, FY22**



**Export of Electronic products by key countries, value in %, FY22**



## Growth drivers for Electronics Industry in India

**Investments by local and global players in India:** The higher growth rate of the electronics industry in India vis-à-vis the global market is due to multiple factors, including consistent local demand for electronic products, the Indian government's focus on domestic manufacturing, implementation of programs like 'Make in India' and 'Digital India'. All of these factors have led to increasing manufacturing investment in the country. The Make in India initiative, tax and duty support, and government support through policies, most notably, MSIPS, have been instrumental in encouraging new investment from EMS companies.

**China + 1 Strategy:** There is a new urgency now to examine practical alternatives to manufacturing in China given the tariff conflicts and the aftereffects of COVID-19 pandemic along with rising manufacturing cost structures and changing

geo-political landscape. However, transferring production decisions is not very straightforward as concentrated production of all major components in China improves the product cost, efficiency and time-to-market. Due to the above factors, OEMs are considering an alternative country for additional production rather than completely replacing China. OEMs are considering developing economies as potential manufacturing locations out of which India has a particular edge as a developing country that provides infrastructure as well as a platform for cost-cutting.

**Localization of supply chain:** High domestic volumes and consumption and higher outsourcing volumes will influence domestic electronics manufacturers to bring in the component ecosystem locally and enhance local capabilities of component sourcing, thus making the ecosystem stronger and closer. Tier-2 players (companies supplying products to tier 1 companies/ OEMs) are increasingly focusing on product localization, innovative product design, and R&D. However, the extensive financial costs involved in setting-up manufacturing, capacity additions/expansions, R&D, manpower, etc. drive OEMs to leverage on services offered by EMS companies.

**Emerging technologies:** Rapid technology advancement and newer products having upgraded technology have led to shorter life cycles for electronic products. Also, continuously changing customer attitudes and various consumer-to-consumer websites has made it relatively easier for customers to replace their current electronic devices with newer products.

Augmented demand for high-speed data has also contributed to the increasing demand for high-end smartphones. This growing preference for advanced technology products has driven rapid innovation in the consumer electronics business. Emerging technologies, for example, IoT, the introduction of robotics and analytics in the industrial and strategic electronics segment, have all led towards the overall development of numerous electronic products, which has given a lift to local demand.

**System automation:** Indian design companies work on end-to-end product development. Advanced product development focusing on miniaturisation, IoT, automation, Artificial Intelligence, and defence applications is likely to be one of the biggest trends in market growth in electronics design. IoT-based advanced analytics and industrial automation provide manufacturers with better efficiency and productivity gains.

Electronic design automation is a category of software tools which drives the design of integrated circuits and PCBs. Until recently, EDA software tools were used to cater mainly to the semiconductor business. However, the fast rise of Artificial Intelligence and Machine Learning, deployment of 5G communication, edge and cloud computing have all created the need for invention in hardware, resulting in increased demand for electronic design automation software tools.

## **INDIAN ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY OVERVIEW**

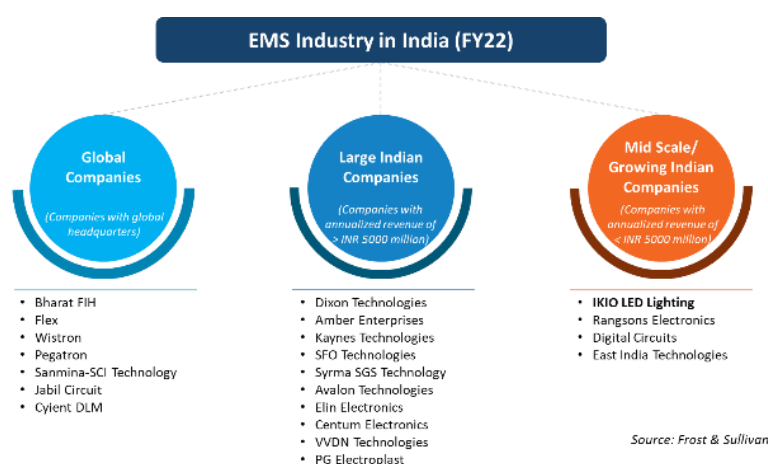
### **Overview of EMS industry in India**

The Indian EMS industry is relatively young, with nearly three decades of experience. The Indian EMS industry has grown in prominence over the last decade, particularly in the last five years. Indian EMS industry, which was traditionally a domain of the PSU's, saw participation of few MNCs and many private sector Indian companies post liberalization of Indian economy. These companies were addressing requirement of consumer electronics OEMs and some of them were manufacturing for their global requirement.

The period of 2005-07 saw the first big ticket investment in EMS operations in India with entry of Jabil Circuits and Nokia. This triggered a series of large and medium scale investments in Indian EMS sector. Despite the fact that Nokia wound up its India operation in Fiscal 2014, global EMS giants have started showing interest in India by 2015. Indian EMS industry has since then embarked on an upward journey. Now with most of the global Mobile Phone manufacturers and their supply chain partners are investing in manufacturing, Indian EMS industry is well poised to unlock its true potential in the coming years.



**Chart 23. Industry structure of EMS market in India**



There are nearly 700 EMS companies in the market, ranging from large, medium-sized, to small players. Major global companies include Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO, Syrma, Elin, Centum among other. In the Indian context, Ikio Lighting Private Limited is one of the fastest growing providers of ODM services for global & domestic companies in the category of less than INR 5000 million annualized revenue. Few EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This acts as a win-win situation for both EMS players and OEMs: EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities enabling them to focus on other expansion activities. Embracing the ODM model of partnership coupled with venturing into new product segments is propelling OEMs to pursue this engagement. High volumes will influence EMS companies to bring in the component ecosystem locally and enhance domestic capabilities for component sourcing, making the electronics ecosystem stronger.

Ambitious expansion plans and capacity augmentation of indigenous EMS & ODM players to capitalise on favourable policy initiatives ensure that the EMS sector in India will witness heightened growth in coming days. Also, India has established itself as the design hub of the world for electronic design. The next phase of growth in the design sector will be characterised by the growth of indigenous design companies creating their own Ips as against the erstwhile growth of outsourced captive design services companies. This, together with impressive, expected growth in the EMS market, presents an opportunity for design-led manufacturing.

Some of the notable expansions announced recently:

- Flex, a manufacturer of electronic components based in the United States, is considering increasing its investment in India to around USD 12 billion in order to expand its manufacturing capabilities and boost exports from India.
- In 2021, TATA Electronics (TATA Group) announced that it will invest INR 57,000 million (USD 790 million) as part of its phase 1 investment in an industrial complex in Tamil Nadu, India, to construct a phone component manufacturing facility.
- In 2021, Jabil announced they are going to invest INR 20,000 million (USD 275 million) in Pune and plans to venture into smartphones, home appliances, mobile spare parts, and food packaging.
- Dixon Technologies, a provider of electronic manufacturing services, announced in 2021 that it would invest approximately INR 6,000 million (USD 80 million) to build new capacity in India in the mobile devices, laptops and tablets, telecom equipment, and LED components segments to serve the domestic and global markets.
- In 2022, Reliance Strategic Business Ventures Ltd (RSBVL), a subsidiary of Reliance Industries Ltd (RIL), has entered into a joint venture with Sanmina Corporation for INR 16,700 million, with a 50.1% stake. According to reports, the JV will focus on telecom infrastructure (5G), medical and healthcare systems, industrial and cleantech, defence and aerospace. There are also plans to establish a manufacturing technology centre of excellence that will serve as incubation for the product development and hardware start-up ecosystem.

### **Business models of Indian EMS Companies**



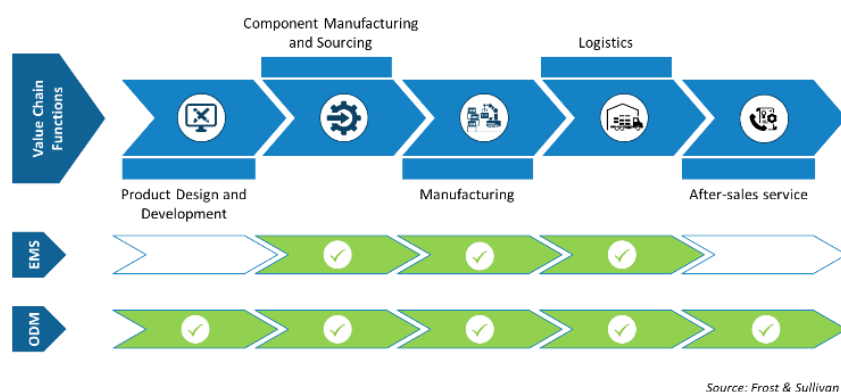
Business models of Indian EMS companies can broadly be classified under four categories<sup>2</sup>.

1. ODM model
2. EMS model
3. Job work
4. After-sales service

### ODM (Original Design Manufacturers) model

Under this, EMS companies design products as per the specifications provided by the OEMs. EMS companies then source components, carry out fabrication and assembly, test the final product, and also undertake logistics and after sales services related activities. ODM model helps the EMS companies to have deeper and long-term business relations with the OEMs. This is a high margin business and comes at a premium for good designs.

**Chart 24.: Business models of Indian EMS companies, FY22**



### EMS (Electronic Manufacturing Services) model

At present, this model is widely followed in India. Under this, OEM provides designs and specifications to the EMS companies. EMS companies source components manufacture / assemble components and supply the finished product back to OEMs.

EMS companies are gradually adding capabilities to offer ODM or JDM (Joint Design Manufacturers) services. Increasingly, OEMs are preferring engagement on ODM / JDM basis. This is win-win situation as EMS companies can earn higher margins while OEMs can focus on expansion activities.

### Job Work

The term Job-work typically refers to the processing of goods supplied by the principal. In the concept of job work, a principal manufacturer can send inputs or semi-finished goods to a job worker for further processing, which may or may not culminate into manufacture. This business model is followed mostly by the small and micro-EMS companies. Smaller EMS companies, who do not have any engineering or sourcing capabilities, undertake this business with OEMs in a fragmented or price sensitive market. Large OEMs and Overseas companies generally prefer to have one point solution with their EMS companies, so this is a very low margin business

### After-sales service

After-sales service is an important activity which helps the companies to build long-term brand image and brand loyalty. Globally, EMS companies are offering end-to-end services including after-sales service. This is a nascent business for Indian EMS companies, however gaining traction in the recent times.

Various activities performed by the EMS companies have been described below:

- **Products design and development:** This activity refers to designing of an electronics product as per OEM's requirement / specifications. This includes sub-activities such as product development, DFM / DFA analysis,

<sup>2</sup> Source: ELCINA EMS Task Force report, Frost & Sullivan analysis

prototyping, test development etc. EMS providers are increasingly providing end-to-end new product introduction services to the OEMs.

- **Component manufacturing and sourcing:** Component sourcing refers to the purchasing of the electronic components to be assembled onto the printed circuit board. Brands/EMS providers purchase these components directly from manufacturers or from authorised distributors, either through import or local sourcing.
- **Manufacturing:** This activity refers to manufacturing and assembly of the electronics products. This could either be PCBA or box build assembly.
- **Logistics:** The activity refers to logistics involved in sourcing of components or delivery of the finished goods.
- **Aftersales:** Globally, EMS companies also offer after sales support such as repair and maintenance of products. This is, however, is a new trend in India.

Manufacturers in India lack mature R&D set-ups due to large capex investments and long gestation periods. Europe and the United States continue to dominate R&D and IP ownership of related work. This has also been a factor that has restrained OEMs and EMS providers from investing. Most MNCs hold their IP in the headquarter location (mostly located in the USA and Europe) and do not prefer to invest in local R&D. However, India has a competitive edge in design services, since most such work is outsourced to cost-effective destinations. In terms of manufacture/ system assembly, India has an established set-up. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing.

The country also has high maturity levels in packaging, distribution, repair, sales, and marketing functions to meet geographical standards and cater to local requirements will get additional business from the OEMs at the same time they would also be playing a very significant role in the e-waste management which is a huge concern globally.

#### **Contribution of ODMs in Indian EMS market**

**Range of services offered by ODM companies:** ODM companies can offer end-to-end services right from product design & development, component sourcing and fabrication, manufacturing, logistics and after sales, while EMS companies are not involved in product design activities. However, only very few companies in India provide end-to-solutions, as most EMS providers are primarily involved in assembly and testing. The evolution of the Indian electronics market has, surprisingly, resulted in a gradual but drastic shift in the supplier base. The availability of technology and regional presence has contributed to their growing acceptability. Involvement in an OEM customer's product design and development process provides the ability to offer, or coordinate the sourcing of, the components required to manufacture the product, giving a greater share of the revenues, and higher margins, in the ODM value chain. In the ODM industry, innovation is critical to success. While cost reduction remains the major driver of EMS outsourcing, other factors such as improved design skills have contributed to ODM capabilities. OEMs have realised the benefits of EMS providers serving as joint design manufacturers. Partnering right from the design stage results in significant cost reduction, as the initial stage sets the price of the end product. Increased competition has emphasised the importance of time-to-market. OEMs are moving away from an era where they trailed behind demand to a scenario where they have to create demand in order to remain more profitable. The impact of this driver is expected to remain high for the short and medium terms and is expected to become very high during the long term.

#### **Benefits of ODM model in EMS business**

**Chart 25.: Advantages and Disadvantages of EMS and ODM**

Original Design Manufacturing (ODM)	Electronic Manufacturing Service (EMS)
<ul style="list-style-type: none"> <li>✓ ODM develops designs and products that are capital and technical intensive</li> <li>✓ ODMs may produce client products themselves or through subcontract; also into final assembly of products.</li> <li>✓ ODMs will manage the technical resources required for the successful completion of the production process.</li> <li>✓ It is difficult for OEMs to switch suppliers since ODM players hold the capabilities and moulds for the design</li> <li>✗ Product development costs will be high</li> <li>✗ Minimum order quantity requirements are quite high.</li> </ul>	<ul style="list-style-type: none"> <li>✓ EMS helps in quicker production time</li> <li>✓ OEMs save on their capital costs by involving EMS providers</li> <li>✓ Better economies of scale when the business grows, when contract manufacturers produce for multiple customers.</li> <li>✗ OEMs gain complete ownership of all IP rights, including product specifications. EMS providers do not have negotiating power.</li> <li>✗ Lack expertise in producing their own set of products, development starts from the scratch.</li> <li>✗ OEMs can easily move to other providers, as they own rights for the design.</li> </ul>

Source: Frost & Sullivan Analysis

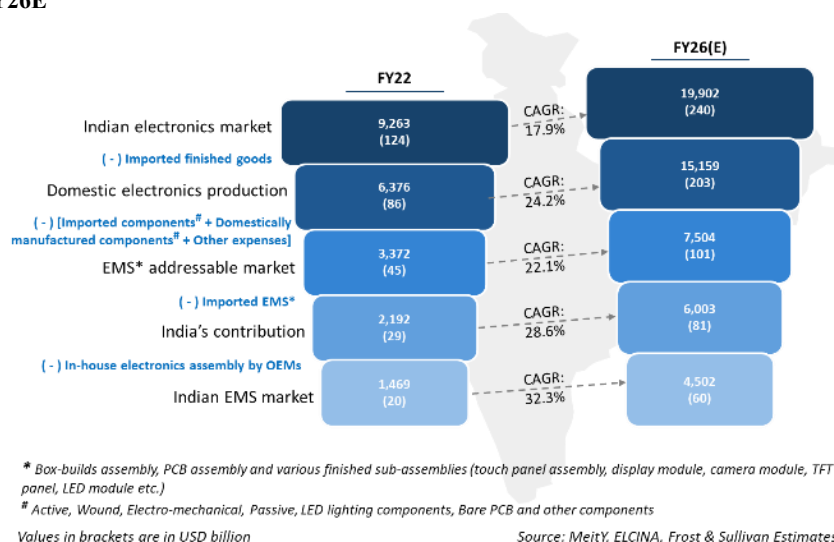
better margins and increased visibility. Additionally, ODM offers to collaborate with the OEMs on product localisation and design. The ODM companies with their versatile capabilities in system designs, plastic moulding, PCBA, software engineering and more importantly manufacturing encourage OEMs to increasing the width of their partnership. Instead of investing in R&D, Tier-II players collaborate with ODMs to select and develop specific models from existing models. The secondary benefit for ODMs from such collaborations is the improvement of capabilities to handle fresh clients.

There is a growing perception that there is a rising outsourcing trend for some product segments where regional and private brands have gained dominant market position, and the ODM model allows companies to service this market as well. As the products moves towards maturity phase, more products are likely to become standard and fall within the purview of ODMs. As a result, in the long term, ODM firms will become an essential component in the success plans of OEMs of both tiers.

### Indian EMS market size and growth outlook

Indian EMS industry is part of the larger Electronics ecosystem of the country. Systematic approach has been followed to separate various components of the Indian Electronics market and derive size and potential for EMS business in India. Below chart depicts the size of Indian Electronics market, various segments of the market and their respective sizes, including Indian EMS market. The chart also shows how each of these segments likely to grow over medium term till FY26.

**Chart 26.: EMS addressable market vs. contribution of EMS companies for goods made in India, value in INR billion, FY22 and FY26E**



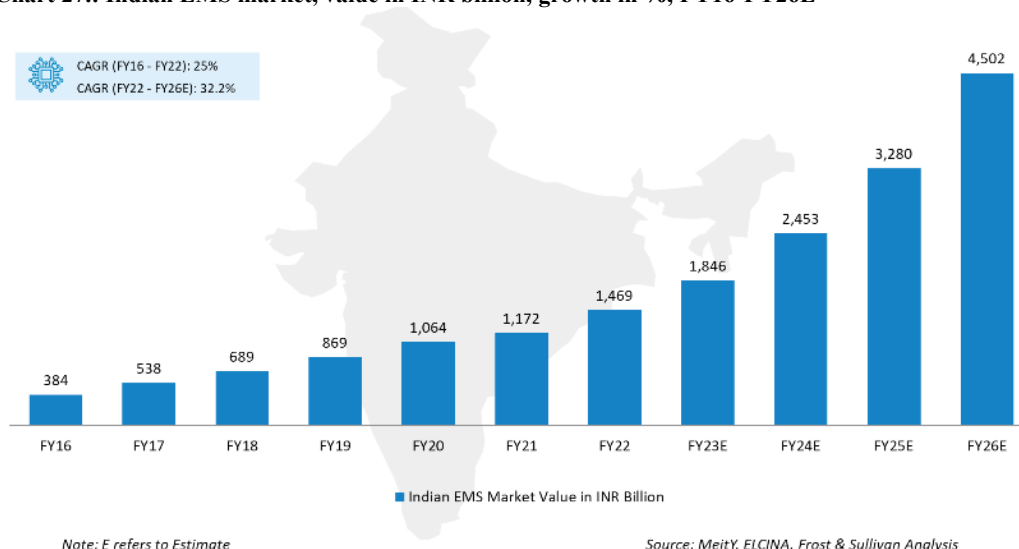
In Fiscal 2022, electronics production in India is estimated to be USD 86 billion which comprises of domestically manufactured electronics components worth of USD 12 billion and imported components worth of USD 18 billion. The remaining market, after subtracting the cost of the components and other expenses (logistics, packaging, administrative expenses, etc.), represents the addressable business opportunities for EMS companies in India. This addressable EMS market in India was valued at INR 3,372 billion (USD 45 billion) in Fiscal 2022 and is expected to grow at a CAGR of 22.1% to reach INR 7,504 billion (USD 101 billion) in Fiscal 2026.

The Indian EMS market and is comprised of three components:

- Contribution of Indian EMS companies or Indian EMS market worth of USD 20 billion.
- In-house electronics assembly by OEMs worth of USD 9 billion; and
- Imported EMS worth of USD 16 billion (this is a direct loss to the EMS companies in India).

Contribution of Indian EMS companies represents approximately 43.5% of the addressable EMS market in India in Fiscal 2022 and is expected to grow at a CAGR of 32.3% to reach INR 4,502 billion (USD 60 billion) by Fiscal 2026.

**Chart 27.: Indian EMS market, value in INR billion, growth in %, FY16-FY26E**



India is positioned as a destination for high-quality design work, not merely as a low-cost alternative. Many multinational companies have established and expanded captive centres in the country. Despite the fact that the establishment of EMS companies supported the economy by establishing domestic infrastructure and jobs, the Intellectual Property rights are owned by the global headquarters, hence contribution from ODM model is minimal in India. Most brands prefer engaging EMS partners for contract manufacturing, but the ODM model is slowly gaining traction in India, where brands collaborate with ODMs on product development. Many EMS players are gradually expanding to provide complete design services in addition to contract manufacturing/ original equipment manufacturing. Embracing ODM model of partnership with EMS partners coupled with venturing into new product segments is propelling brands to pursue EMS engagement. High volumes will influence EMS/ODM to bring in the component ecosystem locally and enhance domestic capabilities of component sourcing thus making the electronics ecosystem stronger.

A strong consumer economy with increasing demand for consumer and industrial electronics has driven the Indian EMS sector into the forefront. Domestic electronics production in India has received a lot of attention from both industry and the government, owing to the necessity for import substitution. Favourable policy initiatives in recent years, as well as changes in the global manufacturing environment, have drawn attention to India as a preferred destination for electronics manufacturing investments.

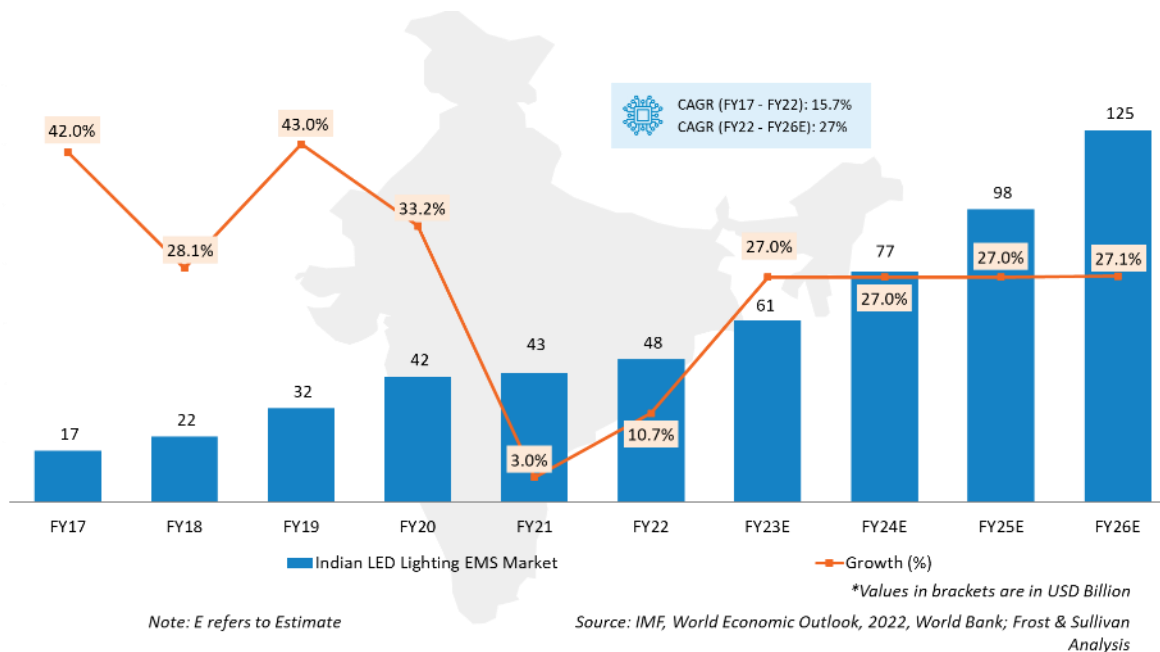
Electronics have become more prevalent in the Indian EMS industry, and domestic demand for mobile phones, consumer electronics and appliances, medical products and automotive electronics offers a huge growth potential. Because of the 5G rollout, there is an increase in demand for telecom infrastructure projects, as well as a necessity to build them locally. Furthermore, growing labour costs in other parts of the world have led major OEMs to favour India, which is a practice of large OEMs to outsource manufacturing rather than to create their own infrastructure. The EMS market in India benefits from high domestic demand and production migration from other manufacturing hubs due to a variety of factors.

The Indian EMS industry has benefited from a greater focus on manufacturing and an overall growth in the usage of electronics in many aspects of life. Domestic demand for mobile phones, PCs, consumer electronics, medical products, strategic and automotive electronics and offers a huge growth potential. . EMS market in India enjoys unique benefits of an explosive domestic demand and the migration of manufacturing from other manufacturing havens driven by multiplicity of factors. These reasons have resulted in the Indian EMS market growing at a higher rate than average global market and are expected to intensify in the next decade.

## Indian LED EMS Market Size

In India, the LED business is booming, and the government has designated LED as one of its strategic priorities. Smart lighting solutions would contribute to building management systems via wireless networking, as the Internet of Things (IoT) gains traction. The Indian government continues to drive for LED lighting and measures to replace conventional CFL and GLS lights. Up to 2022 the Indian government has installed over 12 million LED lights as part of the Street Lighting National Programme.

**Chart 28.: Total Indian LED Lighting EMS Market by value (INR Billion) and in Growth in %, FY17 and FY26E**



## Growth drivers for India EMS business

- **China+1 strategy**
- **Development of electronics ecosystem by global and domestic players**
- **Government incentives and schemes**
- **Import substitution**
- **Supply chain realignment**
- **Component manufacturing / lead time**
- **Local value addition**

**China + 1 Strategy:** The increase in the Chinese electronics contract manufacturing cost structure, coupled with changing geo-political landscape, has resulted in increased interest from OEM customers to shift electronics production to other countries. Such increase in electronics production in India will drive the Indian EMS industry.

**Government incentives and scheme:** Across nations, there is a strong government push to broaden the operations and revenue from the electronics industry. The government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The GOI has launched numerous policies over the last few years to increase the innovation, protect the intellectual property, and develop the best-in-class electronics manufacturing set-up to build a favourable environment and invite the investment in the electronics hardware manufacturing. India's electronics production has more than doubled in the past five years from INR 3.2 trillion in Fiscal 2017 to INR 6.4 trillion in Fiscal 2022 depending on such favourable incentive schemes.

**Development of Electronics Ecosystem by Global and Domestic Players:** The Make in India initiative, tax and duty support, and government support through policies, most notably, have been instrumental in encouraging new investment from EMS companies. Dixon Technologies, a provider of electronic manufacturing services, has invested more than INR 6 billion in new capacity in India to serve the domestic and global markets in the mobile devices, laptops and tablets, telecom equipment, and LED components segments in the coming year.

European Telecom and Networking Products dealers Ericsson and Nokia have conveyed their intention to increase existing manufacturing operations in India to support their worldwide supply chain. Local telecom component manufacturers VVDN Technologies, HFCL, Dixon, Coral Telecom, and Sterlite Technologies have also expressed interest in the PLI scheme of the government. India is expected to run a widespread outreach programme with the support of the “Invest India team” for the Production Linked Incentive scheme. Nokia and Ericsson are also going to target the BSNL big ticket 4G contract expansions after GOI dropped a few clauses which earlier prohibited them from participating.

**Import substitution:** India’s import of electronics products systematically declined between Fiscal 2015 and Fiscal 2020. Import was however increased sharply in Fiscal 2022 owing to slowdown in domestic production due to shortage of semiconductors globally. Long run mission of the Indian government is to reduce dependency on imported electronics products and services through Atma Nirbhar Bharat and developing local electronics manufacturing ecosystem with the help of various incentives and policies.

**Supply chain realignment:** Local availability of components and chip fabrication are primary activities that determine the strength of a country’s electronics manufacturing ecosystem. India has a very limited component supplier base; a majority of the high-value and critical components are imported. Components that are predominantly imported include ICs, PCBs, and other active components. As supply-chain resilience and localization are becoming more significant, India has had to take the necessary steps to improve the domestic value chain capability for long-term benefits.

The introduction of the PLI scheme to promote component sourcing; FDI policies relaxing companies' ability to set up bases in India, allowing them to drive product development, R&D, and other knowledge-intensive activities in collaboration with Indian companies; and the establishment of dedicated freight corridors that help in the advancement of transportation technology and increase in productivity are some of the key initiatives taken by the government of India. Freight corridors are high-speed, high-capacity railway lines designed solely for freight traffic, requiring the seamless integration of improved infrastructure. The Bhaupur-Khurja segment of the Eastern Dedicated Freight Corridor (EDFC) in Uttar Pradesh was recently inaugurated by the government.

**Component manufacturing/ Lead time:** India’s PCB manufacturing capacity is restricted, particularly for flexible, HDI, and multilayer PCBs. Currently, OEMs import pre-designed and pre-built PCBA from third parties. However, in-house PCBA design and assembly is required. Demand for PCBs is projected to be driven by EMS/ODM investments in high-value-added production. Reduction in lead times from four weeks to one week by discrete local sourcing of PCB is a significant driver for PCBAs to source their bread boards locally than import. PCBA design and assembly alone will drive overall local value addition and entice foundry players to manufacture high-cost silicon based PCBA sub-components locally. This might bring a lot of value to the Make in India programme.

**Enhancing local value addition:** In India, the electronics sector faces cost disadvantages in terms of logistics and limitations in terms of local value addition. As the cost of value addition is increasing, it leaves domestic manufacturers at a competitive disadvantage and has stifled new investments in value-added manufacturing, keeping them heavily reliant on imports. The COVID crisis has highlighted the vulnerability of relying on global electronics supply chains. A notable example is the recent shortage of chips.

#### **Indian Government policy/incentives driving domestic production and push for exports**

The Government in India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for MNCs to invest in India.

The Government has given higher priority to promote mobile phones segment within the electronics manufacturing, by providing focus on development of mobile phones, components, sub-assemblies, and the entire ecosystem. Right from providing land at a subsidized rate to offering them variable investment subsidy and VAT exemption, the government is also providing mega industry status to these companies. India’s domestic demand has been increasing, thus encouraging the likes of Apple, Xiaomi, Oppo, Vivo, Lava, OnePlus, RealMe and Samsung to expand local manufacturing and also export from the world’s second largest smartphone market. Some of the key initiatives/ schemes/ programs introduced by the government in boosting the mobile phone market in India include:

**Make in India:** In 2014, the government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set-up manufacturing bases in India. As per the scheme, government released special funds to boost the local manufacturing of mobile phones and electronic components. It has

also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights, and developing the manufacturing sector. The Make in India initiative, a part of the 'Atmanirbhar Bharat Abhiyan' (Self-reliant India), would provide an additional boost to country's business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics, and toys
- Phase 2: For products like gems and jewellery, pharma, and steel, etc.

**Production Linked Incentive (PLI) Scheme:** The scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years. As per the scheme, a total production of INR 11,500 billion is expected including INR 7,000 billion exports in the next five years. Production Linked Incentive Scheme (PLI) for large scale electronics manufacturing was notified in April 2020.

**Chart 29.: PLI scheme in 13 key sectors for enhancing India's manufacturing capabilities and enhancing exports, Atmanirbhar Bharat, FY21-FY22**

Sectors	Implementing Ministry/Department	Approved financial outlay over a five year period (INR billion)
Mobile manufacturing and specified electronic components	Ministry of Electronics and Information Technology	409.5
Critical key starting materials/ drugs intermediaries, APIs	Department of Pharmaceuticals	69.4
Manufacturing of medical devices	Department of Pharmaceuticals	34.2
Advance Chemistry Cell ACC Battery	NITI Aayog and Department of Heavy Industries	181.0
Electronic/Technology Products	Ministry of Electronics and Information Technology	50.0
Automobiles & Auto Components <sup>#</sup>	Department of Heavy Industries	259.4
Pharmaceuticals drugs	Department of Pharmaceuticals	150.0
Telecom & Networking Products	Department of Telecom	122.0
Textile Products	Ministry of Textiles	106.8
Food Products	Ministry of Food Processing Industries	109.0
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	45.0
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	62.4
Speciality Steel	Ministry of Steel	63.2
<b>Total</b>		<b>1,661.9</b>

<sup>#</sup> Financial outlay for Automobiles & auto components was revised on September 2021 from INR 570.4 billion to INR 259.4 billion

Source: MeitY (Ministry of Electronics and Information Technology), Invest India

As per the 2021-22 budgets, under the PLI scheme, the government allotted INR 1,970 billion for 13 sectors. However, the financial outlay for the auto sector was revised in September 2021, bringing the total allotment down to around INR 1,661.9 billion. Initially introduced in mobile phone production, this policy is being expanded to other sectors as well. The scheme is also extended to white goods (Air conditioners and LED lighting) and select few electronic/ technology products. The allocation for Mobile Manufacturing and Specified Electronic Components is around INR 409.5 billion, which is significantly higher than any other scheme. It has different thresholds of investments required for domestic and international companies. Fully integrated manufacturers are going to be the biggest beneficiary of this scheme. This scheme will help India Inc. to be an integral part of the global supply chain.

## PLI Scheme for White Goods business including LEDs

**Chart 30.: Target segments and eligible products under PLI scheme**

### Target Segments Eligible under PU Scheme

- **LED Core Components**
  - LED Chip Packaging
  - Integrated Circuits (ICs)
  - Resistors
  - Fuses
  - Large Scale investment in LED Components
- **LED Components**



- LED Chips
- LED Drivers
- LED Engines
- LED Modules
- Printed Circuit Boards (PCB) Mechanical Housing
- Wire Wound Inductors
- Drum Cores
- Heat Sinks
- Diffusers
- Ferrite Cores
- LED Light Management systems (LMS)

The PLI Scheme for White Goods (PLIWG) that was first notified in April 2021, to provide financial incentives to boost domestic manufacturing and attract large investments in the white goods manufacturing value chain. Its prime objectives include removing sectoral disabilities, creating economies of scale, enhancing exports, creating a robust component ecosystem and employment generation.

The scheme extends an incentive of 4-6 per cent on net incremental sales (net of taxes) over the base year (FY 2019-20) of goods manufactured in India or net incremental sales of eligible products over the base year or FY 2020-21, whichever is higher, as the case may be and covered under target segments, to eligible companies, for a period of five years subsequent to the base year and gestation period.

**Chart 31.: Eligible threshold investment and Net incremental sales for LED lights for applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022**

Segment	Proposed Incentive Rate (%)	Incremental Investment Over Base Year (INR Million)	Incremental Sales of Manufactured Goods Over Base Year	Incremental Investment Over Base Year (INR Million)	Incremental Sales of Manufactured Goods Over Base Year
Large Investment			Normal Investment		
LED Lights (Core Components)	2021 - 22: -	1,000	-	200	-
	2022 - 23: 6%	1,500	6,000	400	1,200
	2023 - 24: 6%	2,000	9,000	600	2,400
	2024 - 25: 5%	2,500	12,000	800	3,600
	2025 - 26: 5%	3,000	15,000	1,000	4,800
	2026 - 27: 4%	-	18,000	-	6,000
	2027 - 28: -	-	-	-	-
<b>Total</b>		<b>3,000</b>	<b>60,000</b>	<b>1,000</b>	<b>18,000</b>
Components of LED Lights	2021 - 22: -	50	-	20	-
	2022 - 23: 6%	100	300	40	120
	2023 - 24: 6%	150	600	60	240
	2024 - 25: 5%	200	900	80	360
	2025 - 26: 5%	250	1,200	100	480
	2026 - 27: 4%	-	1,500	-	600
	2027 - 28: -	-	-	-	-
<b>Total</b>		<b>250</b>	<b>4,500</b>	<b>100</b>	<b>1800</b>

**Chart 32.: Eligible threshold investment and Net incremental sales for LED lights for applicants opting for initial investment period as 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023**

Segment	Proposed Incentive Rate (%)	Incremental Investment Over Base Year (INR Million)	Incremental Sales of Manufactured Goods Over Base Year	Incremental Investment Over Base Year (INR Million)	Incremental Sales of Manufactured Goods Over Base Year
Large Investment			Normal Investment		
LED Lights (Core Components)	2021 - 22: -	1,000	-	200	-
	2022 - 23: 6%	1,500	6,000	400	1,200
	2023 - 24: 6%	2,000	9,000	600	2,400
	2024 - 25: 5%	2,500	12,000	800	3,600
	2025 - 26: 5%	3,000	15,000	1,000	4,800
	2026 - 27: 4%	-	18,000	-	6,000
	2027 - 28: -	-	-	-	-
<b>Total</b>		<b>3,000</b>	<b>60,000</b>	<b>1,000</b>	<b>18,000</b>
Components of LED Lights	2021 - 22: -	50	-	20	-
	2022 - 23: 6%	100	300	40	120
	2023 - 24: 6%	150	600	60	240
	2024 - 25: 5%	200	900	80	360
	2025 - 26: 5%	250	1,200	100	480
	2026 - 27: 4%	-	1,500	-	600
	2027 - 28: -	-	-	-	-
<b>Total</b>		<b>250</b>	<b>4,500</b>	<b>100</b>	<b>1,800</b>

There are few more schemes which have given boost to domestic electronics manufacturing. These are:



- a) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS):** The aim is to strengthen the manufacturing ecosystem of electronic components and semiconductors. Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition, and promote employment opportunities in this sector. Incentives of up to INR 32.85 billion will be awarded under the Scheme over a period of 8 years.
- b) **Merchandise Exports from India Scheme (MEIS):** The scheme falls under foreign trade policy of India, replacing five other similar incentive schemes in the past. As per this scheme the government of India provides benefits up to 4% depending on the country of exports and the products. Rewards under the scheme are payable as percentage of realized free-on-board value and, MEIS duty credit scrip can be transferred to the company for working capital needs or used for payment of various duties such as basic customs duty.
- c) **Modified Electronics Manufacturing Clusters Scheme (EMC 2.0):** The scheme is aimed to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The scheme provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to INR 37.62 billion will be disbursed over a period of 8 years.
- d) **Semiconductors and Display Fab Ecosystem**

In furtherance of the vision of Atmanirbhar Bharat and positioning India as the global hub for Electronics System Design and Manufacturing, Govt. of India has approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country with an outlay of INR 760,000 million (>10 billion USD). The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. This shall pave the way for India's technological leadership in these areas of strategic importance and economic self-reliance.

The programme aims to provide attractive incentive support to companies / consortia that are engaged in Silicon Semiconductor Fabs, Display Fabs, Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs, Semiconductor Packaging (ATMP / OSAT) and Semiconductor Design. Following broad incentives have been approved for the development of semiconductors and display manufacturing ecosystem in India:

- **Semiconductor Fabs and Display Fabs:** The Schemes for Setting up of Semiconductor Fabs and Display Fabs in India shall extend fiscal support of up to 50% of project cost on pari-passu basis to applicants who are found eligible and have the technology as well as capacity to execute such highly capital and resource intensive projects. Government of India will work closely with the State Governments to establish High-Tech Clusters with requisite infrastructure in terms of land, semiconductor grade water, high quality power, logistics and research ecosystem to approve applications for setting up at least two Greenfield Semiconductor Fabs and two Display Fabs in the country.
- **Semi-conductor Laboratory (SCL):** Union Cabinet has also approved that Ministry of Electronics and Information Technology will take requisite steps for modernization and commercialization of Semi-conductor Laboratory (SCL), Mohali. MeitY will explore the possibility for the Joint Venture of SCL with a commercial fab partner to modernize the brownfield fab facility.
- **Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs and Semiconductor ATMP / OSAT Units:** The Scheme for Setting up of Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs and Semiconductor ATMP / OSAT facilities in India shall extend fiscal support of 30% of capital expenditure to approved units. At least 15 such units of Compound Semiconductors and Semiconductor Packaging are expected to be established with Government support under this scheme.
- **Semiconductor Design Companies:** The Design Linked Incentive (DLI) Scheme shall extend product design linked incentive of up to 50% of eligible expenditure and product deployment linked incentive of 6% - 4% on net sales for five years. Support will be provided to 100 domestic companies of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design and facilitating the growth of not less than 20 such companies which can achieve turnover of more than INR 15,000 million in the coming five years.
- **India Semiconductor Mission:** In order to drive the long-term strategies for developing a sustainable

semiconductors and display ecosystem, a specialized and independent “India Semiconductor Mission (ISM)” will be set up. The India Semiconductor Mission will be led by global experts in semiconductor and display industry. It will act as the nodal agency for efficient and smooth implementation of the schemes for setting up of Semiconductor and Display Fabs.

All the above-mentioned policies and initiatives, ‘Make in India’, PLI, DLI, Scheme for development of Semiconductor and Display Fab ecosystem, SPECS, MEIS, and EMC, have provided necessary impetus to the domestic electronics manufacturing industry and India is now on path to become a global manufacturing hub for electronics products



### Comparative Analysis of industry in India and China

Economic development in India is gaining support as a result of the continuing expansion of private consumption and investments in certain industries following the liberalisation of foreign ownership. The projected government expenditure expansion would further enhance growth by focusing on social infrastructure, making the best use of technology, digital India, make in India, job creation in Micro, Small, and Medium Enterprises (MSMEs), and heavy investment in infrastructure.

#### A. Economic Comparison on Favourable manufacturing parameters

China is now the world’s second-largest economy. The growth rate is impressive when compared to the size of the economy. The primary difficulties for its expansion are excess capacity issues, labour costs, and financial market weaknesses. India is gaining ground as the second-best destinations after China. The IMF estimates that India’s GDP is improving, and projects that GDP is expected to grow at a CAGR of 6.5% by 2026. Various government initiatives and tax regimes are expected to stimulate India’s domestic manufacturing sector.

**Chart 33.: Economic comparison on favourable manufacturing parameters, India & China 2021**



PARAMETERS		 INDIA	 CHINA
Population (Million)		1,390.0	1,410.0
Annual GDP (USD Trillion)		3.18	17.46
GDP Growth (%)	2021	8.7	8.1
	2026	6.5	4.9
Inflation (%)		5.5	0.9
Manufacturing Value Added (% of GDP)		14.4	26.2
Export (USD Trillion)		0.42	3.36
Imports (USD Trillion)		0.61	2.69
Manufacturing Risk Index (Rank)		2	1
FDI Investments (USD Billion)		45	334

Source: World Bank, IMF, Frost & Sullivan

India has the potential to become a global manufacturing powerhouse, competing with China, which now produces one-fifth of the world’s commodities. With a relatively young population, India boasts the world’s second largest population. India’s median age is 28.7 years, lower than China’s median age of 37.4 years. Chinese employees’ aspirations have risen, and they are increasingly focused on high-tech jobs, leaving gaps in the industrial value chain. Due to a lack of manpower, this has resulted in a labour shortage and increased costs.

#### B. Labour market comparison

**Chart 34.: Labour market comparison, India & China, 2021**













PARAMETERS	 INDIA	 CHINA
Total Labour Force (Million)	471.3	793.8
Total Labour Force, Female (% of Total population)	20.3	44.5
Labour force participation rate (% of total population)	67.0	70.0
Employment in Industry (% of Total Employment)	26.18	28.18
Wage and salaried workers (% of Total Employment)	23.9	53.5
Average Daily Wages - Manufacturing (USD)	~6	~35.5

Source: World Bank, IMF, Frost & Sullivan

In comparison to other Asian countries, India benefits from lower labour costs and availability of skilled and semi-skilled labour. With nearly 500 million people of working age, India has one of the world's largest workforces, next to China. Each year, tens of millions of students across the country graduate from colleges and enter the workforce. Apart from a favourable labour environment, India has an abundance of design talent (hardware and software).

### C. Manufacturing eco-system comparison

**Chart 35.: Manufacturing eco-system comparison, India & China, 2021**

PARAMETERS	 INDIA	 CHINA
Favorable Government Policies and Programs		
Developed Component eco system		
Labour availability and Cost		
Maturity of Infrastructure		
Ease of Export		

Source: Frost & Sullivan

China has been the most ideal manufacturing destination due to its long history and supremacy in electronics manufacturing. The electronic sector in China has expanded at three times the rate of the country's GDP. Exports account for a large portion of China's electronics manufacturing, including notebooks, mobile phones, and flat panel displays. The current uncertainty in China's manufacturing favourability has stemmed from the global economic crisis and years of rapid expansion. Vietnam benefited significantly from the US-China trade war. Vietnam is aggressively investing in infrastructure to facilitate the strong inflows of FDI. Economic zones, industrial parks and clusters, hi-tech parks, and Agri-tech zones are among the sectors targeted for investment. Vietnam has introduced new incentives to attract high-tech investment.

The position of the Indian electronics sector is changing, and electronics is recognised as a key segment for policy focus. The National Policy on Electronics (NPE), 2019 has highlighted the local value addition and a supportive environment has been developed. The government is rapidly attracting the eye of global and domestic companies with an unimpeded focus on manufacture through Make-in-India policies. The favourable developments leave India with great aspirations to dominate electronics manufacturing in the region. The Product Linked Incentive (PLI) Scheme was announced in the years

2020 by the Government of India considering the incremental investment and sales of manufactured goods. The PLI scheme, which was first introduced for mobile phones and was later expanded to IT Hardware, White Goods, and Telecom and Networking Products, is now being expanded to other sectors in the coming years.

Indian electronics manufacturers are heavily dependent on imports for raw materials sourcing. The phased manufacturing programme of the Government of India involves a mix of local assembly import levies and incentives. Since plastic components are driven by international prices, there is no noticeable disadvantage for Indian producers. As many electronic manufacturing units are anticipated to undertake greater value addition, the component cost is likely to go down over the next 3 to 4 years. Various PLI schemes across sectors are expected to address this challenge by bridging the cost gap in between India and China.

### **Advantage India: A favourable destination for Electronic Manufacturing**

India has long been seen as an attractive destination with low-cost skilled labour and a challenging business environment. In recent years, India has risen significantly in the global rankings to become a favoured investment destination. Previously hampered by poor demand and value addition, India's electronics sector was not regarded as a top destination by decision makers. With the recognition of electronics as a key segment for policy focus, this situation has changed. The National Policy on Electronics (NPE) emphasised local value addition and created an enabling environment. Shift in government in 2014, and its unwavering focus on manufacturing through Make-in-India policies, attracted the interest of both global and domestic companies. India has been able to take advantage of its demographic dividend while also introducing much-needed flexibility in its manufacturing policies. The conscious efforts to attract global investors have resulted in a growth in FDI as well as investor confidence. The following driving factors contribute to India's increasing preference for electronics manufacturing:

- Stable political government that assures global investors on consistency in policies
- Rising cost of labour in China while India is still at a lower end of this cost
- Creation of National Manufacturing Zones (NMZ), Electronics Manufacturing Clusters (EMC), close coordination between centre and states for investment promotion
- High domestic demand for products and services; local needs
- Investment by EMS companies
- Duties and tariffs to discourage imports and encourage domestic value addition
- Digitalization that accentuates demand for select products

## **HIGH END HOME AND DECORATIVE LIGHTING SEGMENT**

### **A. Overview of the Indian LED lighting Industry**

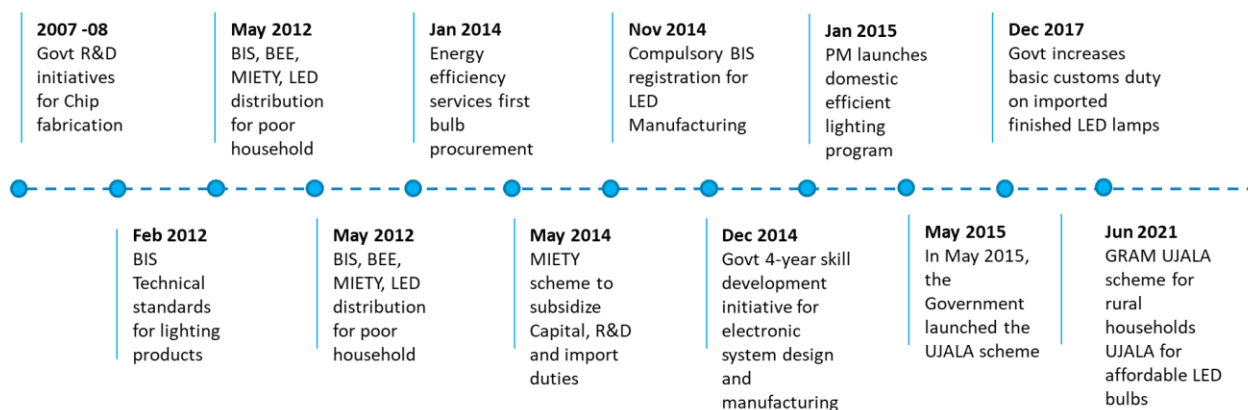
The incandescent bulbs, halogens and CFL lights have dominated the lighting market for centuries now but over the last decade LED lights have become very popular in the Indian lighting industry. These LED lights were first introduced to the Indian market in 1993. Since the LED light bulbs have been invented, there has been a drastic change in the industries of lighting technology. Many have adopted the new LED lights over the traditional incandescent and fluorescent lights. This is because LEDs give more light, have lesser environmental impact and last longer as compared to incandescent bulbs.

User-segments such as the government and commercial segments have been witnessing exponential growth. The street lighting segment is also expected to be the biggest application for the next few years. Lately, energy-efficiency initiatives are gaining momentum in India. As people become more aspirational, the demand for high end home and decorative lighting market will continue to increase. EESL (Energy efficiency services limited) efforts such as UJALA, SLNP and the PLI schemes are assisting vendors to drastically reduce product costs.

The supply chains that had seen major disruptions during the pandemic may continue to see further disruption due to the Russia Ukraine War. Similar to Taiwan, both Ukraine and Russia also play a crucial role in the global semiconductor supply chains. Ukraine is an important source and supplier of raw materials like semiconductor-grade neon used in semiconductor manufacturing. The on-going war is expected to have bearing on the production of semiconductor chips and impact industries across the board including the LED lighting industry.

### **Evolution of Indian LED lighting industry**

#### **Chart 36. Evolution of the LED lighting industry in India**



Source: Desk Research; Frost & Sullivan Analysis

LED lights have emerged as a very reliable source for lighting over the past several years. Due to the many advantages over conventional lighting technology, these lightings are becoming increasingly popular in the Indian lighting market. Although Indian LED lighting market is at a nascent stage, it offers innumerable opportunities for growth over the next few decades.

India commenced its policies and initiatives for LED lighting in 2007-08 which began with an R&D funding program, followed by a policy in 2012 which aimed at aligning with international technical standards for LED lamps. Other relevant policies include domestic value – addition requirements for LED bulbs that are procured, compulsory registration for domestic and foreign manufacturers supplying to the Indian market and restructuring of the LED-related import tariff structure. In 2014, the impact of different policies saw a flurry of changes, when the government introduced the Unnat Jyoti by making LEDs more affordable. The program targeted the residential sector, which accounted for 23% of the country's total electricity consumption in 2015-16, and aimed at replacing about 770 million incandescent bulbs by LED lamps

LED bulbs in the last decade gained momentum as the popular choice and emerged as an alternative to the commonly used incandescent and CFL bulbs. In a price sensitive market such as India, LEDs are being accepted more and more as they rank higher when it comes to energy saving and lifespan when compared to the other two alternatives mentioned above. LEDs are far more energy efficient than their CFL counterparts and at the same time are more reliable. When you factor in these advantages, the initial high price of LED bulbs is justified.

### Growing popularity of LED Lights in India

- Government Factors
- Longer Life
- Cost Effective
- Environmentally friendly

**Government Factors:** Various Government programs like the UJALA has been readily adopted by all the states. By encouraging the use of LED bulbs, it has helped in reducing annual household electricity bills. Energy efficiency is a key selling point for LED lights. With an estimated energy efficiency of 80-90% compared to conventional light bulbs, LEDs have proved to significantly reduce energy consumption, and thus further driving the demand for LED lights in the country especially If you have outdoor lighting that is left on for a long time. LEDs in these fixtures can save a lot of energy. Consumers have been able to save money, improve their quality of life, and contribute to India's economic growth and prosperity

**Longer Life:** LED lights have a long lifespan and typically last for up to 15 years or 50,000 hours. These lights usually do not dim over the course of its life which reduces the need for frequent replacement of lights.

**Cost Effective:** Increasingly we see there is rising consumer awareness of the cost-effectiveness and eco-friendliness of LED lighting. The cost of LED light bulbs has decreased dramatically since they entered the market and prices are expected to come down further as more products become available. While LEDs are more expensive than traditional incandescent bulbs, they are still more cost effective as they last a long time and are more energy efficient. Today, LED lights can be purchased across multiple platforms and is clearly a much better choice from a cost standpoint.

**Environmentally Friendly:** Traditional fluorescence lights contain mercury. Disposal of conventional bulbs lead to toxic accumulation of mercury in ground water. LED lights, unlike traditional fluorescence lights, do not contain mercury and thus are more environmentally friendly.

**Important Government's Initiatives for adoption of LED lights:** Several government schemes, including without limitation the Street Lighting National Program (SLNP) and Unnat Jyoti by Affordable LEDs for All (UJALA), has remained India's largest demand generator for LED lighting. The goal of these initiatives is to raise consumer awareness of the adoption of LED bulbs over traditional lighting sources such as incandescent bulbs, CFL, and halogen lights. For example, EESL has installed over 12.3 million LED street lights in ULBs and Gram Panchayats across India.

**Street Lighting National Program (SLNP):** The Government of India is undertaking various initiatives to promote the usage the LED lights. For instance, under the Street Lighting National Program (SLNP), till date, over 12.3 million LED street lights in ULBs and Gram Panchayats across India. This has resulted in energy saving of more than 8,587 Million Units (Mus) of electricity per annum, peak demand reduction of over 1431 MW and 5.92 million tonnes of CO2 emission reduction annually.

**UJALA Scheme:** The UJALA scheme was announced as "Domestic Efficient Lighting Program (DELP)" in January 2015 and later renamed Unnat Jyoti by Affordable LEDs (UJALA). It urged the people to use LED bulbs in place of incandescent bulbs, tube lights and CFL bulbs as they are more efficient, long lasting, and economical in their life cycle duration. The scheme aims to light up every household with LED bulbs, tube lights and 5-star ceiling fans. More than 250 million households across the country have benefited from this scheme.

**The PLI Scheme:** The prime objective of the PLI scheme is to make manufacturing in India globally competitive by creating economies of scale and ensuring efficiencies. It is designed to create a complete component ecosystem in India and make India an integral part of the global supply chain. So far, the scheme for six segments has been approved – electronic/ technology products; pharmaceuticals; telecom & networking products; food products white goods; and high-efficiency solar PV modules

Selection of companies for the scheme will be done to incentivize manufacturing of components and sub- assemblies, which are not manufactured in India presently with sufficient capacity. Incentives will also be open to companies making brownfield or greenfield investment

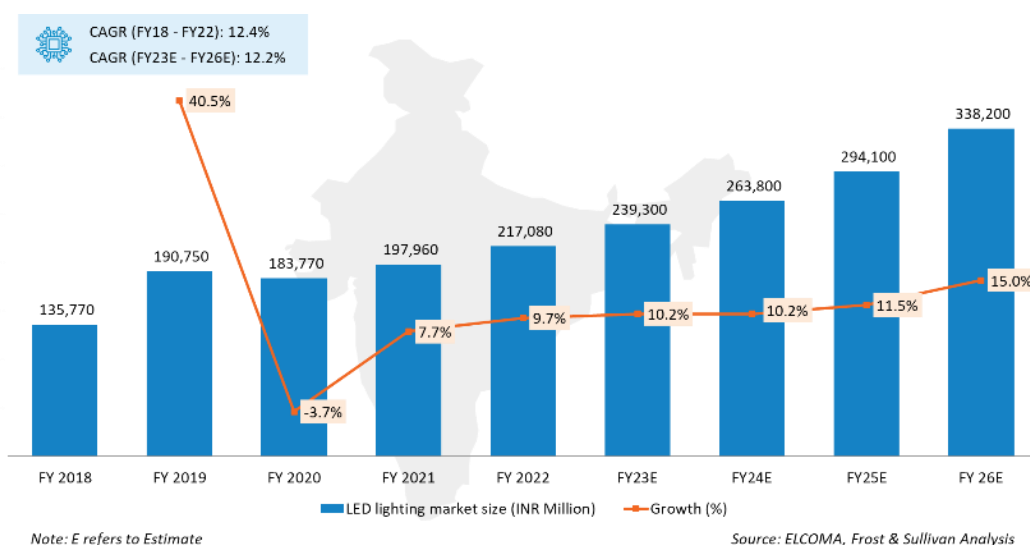
**Chart 37.: Highlights of Key Government Initiatives in LED Lighting**



## Growth of the Indian LED lighting industry

The Indian LED lighting market has seen an increase due to population growth and subsequently rapid urbanization in the last decade. With a growing rate of electricity use, demand for an environmentally sustainable and cost-effective lighting solution is also gaining momentum. Thus, LED lighting has begun to dominate the general lighting market of India tremendously in recent years.

**Chart 38.: Total LED lighting market, value in INR million, India, FY18-FY26E**



LEDs in the day and age are progressively being used in automotive headlamps, aviation, general lighting, advertising boards, various medical devices, camera flashes as well as traffic signals, and is expanding quite briskly throughout the country. In addition, the entry of Chinese LED light producers in India has enabled Indian manufacturers to offer innovative products. The Northern Region has the highest proportion of sales in India's overall market, followed by the Southern Region. Supported by various upcoming infrastructural projects throughout residential, industrial, and commercial areas across the country, the market for LED lighting is likely to see strong growth in the forecast years.

As at Fiscal 2022, the Indian LED lighting market is valued at INR 217,020 Million (USD 2.89 Billion) and is estimated to expand at a rate of CAGR of 12.2% to reach INR 338,000 million (USD 4.5 billion) from Fiscal 2023 to Fiscal 2026.

### Key Growth Drivers for Indian LED Market

- Rise in Smart City Projects and Overall Infrastructure Development
- Increasing Demand for Energy-efficient Lighting and Emergence of the LaaS Business Model
- Decreasing TCO of Advanced Lights
- Pronounced Increase in real estate
- Smart and Automation Uptake

**Rise in Smart City Projects and Overall Infrastructure Development:** Rapid economic development and the Governments vision to increase number of smart cities are pushing the demand for infrastructure development across India. The demand far outstrips the supply and, there are 100 smart cities planned in India with expected investment worth USD 30.2 billion toward their completion. As these smart city vision comes to fruition, there will be stronger demand for the latest lighting solutions, such as smart and connected lighting.

**Increasing Demand for Energy-efficient Lighting:** While there is increasing demand for energy-efficient lighting, the relatively high investment costs (when compared to traditional lights) act as a deterrent to end users. However, the low power consumption of LEDs leads to significant energy savings, such as its usage for traffic signals. National programs to develop effective solid-state lighting industries in the India are strongly driven by the potential energy savings associated with using LED and the limited impact it has on the environment.

**Decreasing total cost of ownership (TCO) of Advanced Lights:** There is increasing focus on the TCO of lighting systems. For most segments, the TCO is central to making purchase decisions. As a result, user base has rapidly moved to more efficient conventional technologies and are shifting to LED. LED prices have drastically dropped over the years. As LED prices continue to fall, the TCO will become an even stronger selling point, and will help increase the adoption of advanced LED lights.

**Pronounced Increase in real estate:** With tourism gaining popularity and India becoming a global tourist attraction spot, luxury hotels and restaurants are giving importance to the ambiance of the place. In the domestic front, increasingly people are also becoming conscious about the need for better homes, for people have realized they are spending a lot of time



working from home and kids schooling from home. Nowadays, people are focusing on the interior decoration of the entire house resulting in interior decorative budget to starkly go up.

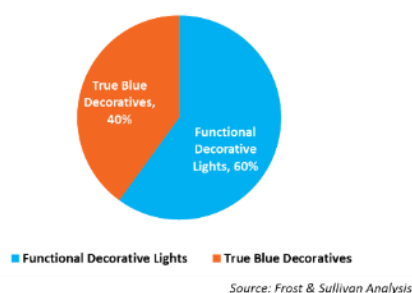
**Smart and Automation Uptake:** Overall uptake of smart and automation lighting is on the rise. Increasingly brands are playing around automating lights at least for the functional lights. Post covid digital savvy and information discovery that people have access to on account of the time spent on digital medium is also driving up aspirational quotient around how home should look like.

### Home and Decorative Lighting Segment: Market Context

The value of the LED light and luminaire market is estimated to be approximately INR 220,000 million (USD 2.93 billion) in Fiscal 2022, with the value of the high-end home and decorative lighting market estimated at approximately INR 35,000 million (USD 0.47 billion). The high-end home and decorative lighting market generally comprises designer lamps, luminaires, lighting fixtures, etc. High-end decorative lighting is increasingly becoming an important part of many Indian households today, especially in urban areas, as living standards and aspirations of people are increasing due to higher disposable incomes among the middle class of the country as well.

Increase in the affordability of individuals and their growing desire for convenience and ease of use is spurring the demand for home and decorative lighting. Consumers are viewing modern high end decorative lighting fixtures not just for improving the visual appeal quotient but as also from a functionality standpoint. People are choosing modern décor items that also complement their homes floor, furniture, and colour of the wall which eventually creates a very inviting space.

**Chart 39.: High end home and decorative LED lighting market split, India, FY22**



### Types of Decorative Lighting

Initially, penetration of LEDs was limited due to the limitation in their designs. However, with the advancement of technology in LEDs, there are now different types of LED bulbs available which can be used for a particular purpose or place.

LED bulbs can be broadly classified as:

- Functional Decorative Lights
- True Blue Decorative Lights

### Functional Decorative Lights





Functional decorative lights comprise approximately 60% of the home and decorative lighting market, as at FY 2022, valued at INR 35,000 million (USD 0.47 billion). In this category, almost all of the functional decorative lighting segment use LEDs and there are no conventional retrofit solutions that sell anymore. The functional decorative lighting segment is where the branded play happens and is considerably dominated by private labels.

Major types of functional decorative lightings include the following: -



**Recessed Spotlights:** These are lights that are installed in hollow opening created in the ceiling. They usually have three main components: housing, trim and the bulb. The housing is what is hidden behind the ceiling, and they also have the electrical fixtures inside.



	<b>Track Lights:</b> Track lights are lights that use a track for support on the ceiling. These rails are used to provide electricity to each of the fixtures. They can either be mounted on the ceiling or on the wall.
	<b>Cove Lights:</b> This lighting technique is one of the basic lighting techniques where the lights sit inside a cove and are directed to the ceiling. In many cases it is also referred to as ambient lighting or luminescence.
	<b>Linear Lights:</b> Linear lights are typically long and are easily available. They are suspended lights, surface mounted or as recessed lights.
	<b>Highbay and Outdoor Lights:</b> These are lights that are typically used where ceilings are tall, and the intensity of the light is enough so that it can spread out over a large area or a focussed area.

### Industry structure of functional decorative lighting market

Until sometime back, there used to be a considerable unorganized sector in the functional decorative lighting market. In particular, every big store in the country would have import arrangements with Chinese suppliers that was privately labelled by the store brand. This arrangement has shrunk considerably. The functional decorative lighting market is now dominated by branded players such as Philips, Syska, Havells, Crompton, Wipro.

As one moves towards the more premium end of the segment, brands like iGuzzini, FLOS play in what is also called the architectural lights which is a very niche segment. Majority of the functional decorative light category is with brands in the mass premium market.


### True Blue Decorative Lighting

True-blue decorative lighting refers to all the traditional kinds of light fittings (floor lights, pendants, chandeliers, wall lights etc). Decorative lighting can provide general illumination for the entire room or even focus on smaller area. They usually come in attractive shapes and colours which complement the décor of the room. True blue decorative lighting comprises approximately 40% of the home and decorative lighting market, as at 2022. The true-blue decorative lighting segment is fragmented, and few brands operate in this market. There is Usha, Phillips, Havells and Jaquar lightings that are trying to make a mark here. The rest of the market is unorganized since consumers focus on design rather than brands.

The fragmented segment is split 50:50 between LED and conventional lights. Conventional lights in this context refers to those where the luminaire is separate and the lamp or the light source is separate. For example, a chandelier with a E14 base cap for candles, the light source there will also be an LED, but the luminaire there which forms the bulk of the value in that end use will be conventional.

In the high-end home and decorative lighting segment, design is the most important. The supply base is largely China where people source by what is called container trade. Larger brands like Phillips (Signify) typically source their lights from locations in China where all the lighting vendors or malls display their variety. The brands select two or three patterns, import these containers, and repeat this one or twice a year. This is how typical retailers in India operate in this segment. In the value chain there are also players who do this in bulk, there are wholesalers in some of the main market who bulk break this and subsequently be purchased by decorative light stores in the neighbourhood. The retailers would go to these big importers and buy from them. This is generally how the fragmented high-end home and decorative lighting segment in India.

### Types of True-Blue Decorative Lighting

	<b>Chandeliers:</b> Chandeliers typically hang from the ceiling and have fixtures with lights that are traditionally facing upwards and occasionally downwards. Going back generations, the use of bulbs and electricity was powered by candlelight for centuries. Chandeliers are used traditionally in practically any room of the home, from dining rooms to bathrooms.
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**Pendant Lighting:** Ceiling pendant lights provide a contemporary look and are considered a good alternative to traditional chandeliers, although the origins of pendant lights stretch even further back than chandeliers. Pendant lights may consist of a single hanging fixture or multiple hanging fixtures and are typically installed over dining room tables, kitchen islands, in entryways or over staircases, in living rooms, bedrooms or anywhere else you would find a chandelier or ceiling fixture.



**Wall Scones:** Wall sconces typically provide both accent and ambient lighting, illuminating dark hallways or highlighting decorative wall art. A sconce is typically a wall lighting fixture that is installed using the wall for support. While sconce lights are a good option for indoor lights, they are used as outdoor lighting as well. Wall sconce lighting maximizes floor space, making them an attractive solution for smaller rooms. While floor or pendant lighting and even bedside table lamps take up a lot of space, wall-mounted lighting frees-up room for other tasks.



**Table and Floor Lamps:** As the name itself suggests, floor lights typically are tall items and are usually placed on the ground. They can range from anywhere between four to six feet tall. The advantage of table lamps is that they are easy to install and are also available in a variety of designs. Floor lamps are typically used as a stand-alone lighting solution to focus on a particular spot in a room or with other lights. Table lamps are usually placed on the bedside tables. Their major use is for providing reading lights. These lights also find application in drawing areas for setting the ambiance of the room.

### Trends in the high-end decorative lighting market

- **IoT Based Smart Lighting**
- **Built in Lights**
- **Daylight Integration**

**IoT Based Smart Lighting:** The use of smart lighting systems or connected systems is expected to drive the expansion of the home and decorative lighting industry in India. Pendants, chandeliers, cove lights and lamps with smart LEDs are examples of decorative lighting goods that utilize smart lighting systems. A smart lighting system connects via wireless technology. Wi-Fi and Bluetooth technologies are used to link these smart lights wirelessly. Smart lighting systems are operated through voice control systems like Apple's Siri, Amazon Alexa, Google Assistant, and Microsoft's Cortana. The increased use of wireless technology will drive the increase in use of smart lighting systems or connected systems, which in turn will drive the use of home and decorative lighting in India.

**Built in Lights:** Built-in light source has emerged as a trend in the high-end home decorative lighting market. These lights are fitted inside the walls or ceiling which give them a very sophisticated look. These lights are integrated with the lighting fixtures.

**Day Light Integration:** The adoption of tuneable light has increased recently. For example, for an interior to look bright to ensure that people can tell if it is open or not, the lighting has to be optimal so that it can stand out even in broad daylight. As the day progresses, the lighting ambience is expected to be more sombre and more welcoming as the lighting conditions outside change considerably. In order to achieve this, the lighting fitment has to have the daylight integration feature.

### Market Size of High-End Home and Decorative Lighting in India

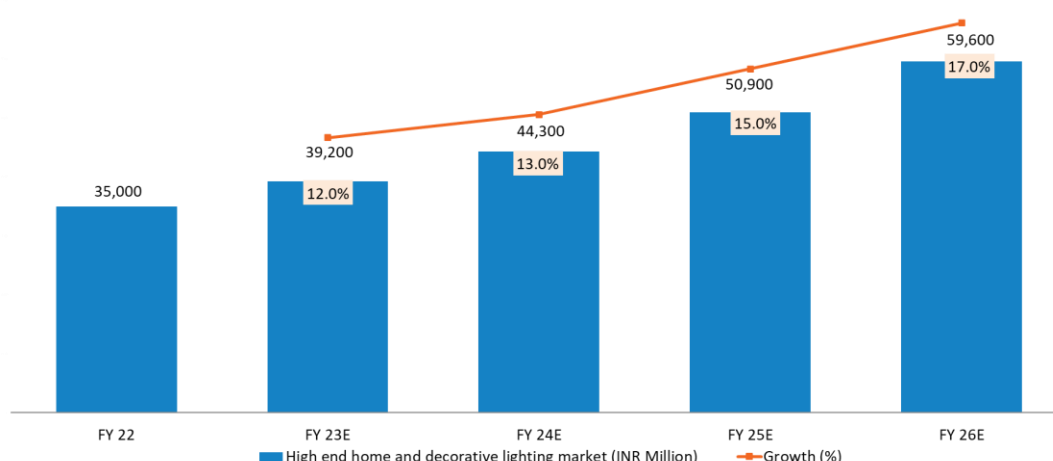
Demand from high net-worth residential users drive the demand for high-end home and decorative lighting products. LED lighting comes in a variety of colours and various other levels of customizations like brightness levels, making them ideal for usage in a variety of decorative designs thus boosting the decorative lighting industry's growth.

Other factors that drive the growth of the high-end home and decorative lighting market include:

- Higher budgets for renovating home spaces
- India's ever improving global position as an attractive tourist spot
- Increasing access to the online world (social media) driving demand for luxury items as aspirational quotient of people is on the rise
- Greater availability of disposable incomes of the population in India
- Need for better homes as substantial number of people still work from home

The Indian high-end home and decorative lighting market size was valued at INR 35,000 million (USD 0.47 billion) in Fiscal 2022. Moving forward, this segment is expected to grow at a CAGR of 15.44% to reach approx. INR 60,000 million (USD 0.75 billion) in Fiscal 2026. This industry is set to grow given the rising importance given to the role of decorative lights in helping to create a visual appeal to the house.

**Chart 40.: Total home and decorative lighting market, value in INR million, India, FY22-FY26E**



### Sectors driving the growth of the high-end home and decorative lighting market

- The commercial application segment is a very important segment contributing heavily to the increasing use of decorative lights. Decorative lights find major applications in commercial establishments such as pubs, restaurants, hotels, malls, retail shops and museums, etc. The use of decorative lighting has become a trend to enhance the customer experience in these places. Restaurants and pubs, where millennials form an essential demography for the social gathering of friends and families prefer to visit places where the ambience is very premium. Shopping malls were once a place of just purchasing products has now become a destination for family and friends to gather and is considered more an entertainment venue.
- Decorative lighting is expected to expand at a brisk rate in the household application segment as well, as demand for well-designed houses increases. House owners are constantly looking at ways to enhance both visual appeal and functionality and this is leading to increasing household application of the products. With an increasing access to the online world, exposure to global decors is high and as aspirations of people are ever increasing, this will prove to be a big impetus to the decorative lighting business in India.

### Factors that will support the growth of the high-end home and decorative lighting segment

The decorative lighting market is driven by Government backing and rising budget allocations for home renovations and decors. The few factors that will support the growth of high-end home and decorative lighting segment include: -

- Government schemes such as Unnat Jyoti by Affordable LEDs for All (UJALA) and Street Lighting National Program (SLNP) are biggest demand drivers for the LED lighting market in India. The aim of these initiatives is to increase awareness among the consumers regarding the adoption of LED bulbs over conventional lighting sources.
- The size of the average home in the country is increasing. Until a decade ago, 70 – 75% of the money spent on home improvement was on decorating the living room only. Now, renovation attention is given to the entire house.
- Decorative lights find their applications in a variety of places, including shops, restaurants, homes, spas, malls, libraries, etc. These lights have been gaining popularity from a large number of designers, who then experiment with the style of these lights to create aesthetic ambience.

### B. Overview of the Organised Retail LED Lighting Segment

The retail industry in India has established itself as a key contributor to the Indian economy. As of 2022, it accounts for more than 10% of the country's GDP and employs around 8% of the workforce. As of 2022, India is the world's fifth-largest global destination in the retail space (Source: World Banks Doing Business). The expansion of the organised retail industry has not only aided the growth of the economy, but it has also improved the customer choice portfolio. This has shifted the retail industry from a producer-centric to a consumer-centric one.

The retail sector in FY 2022 was estimated to be US\$ 836 bn (INR 68,550 bn). Food & groceries (F&G) segment forms the major share of India's merchandise retail expenditure. High share of F&G is an expected outcome of the emerging nature of the Indian economy. When economies progress, the share of F&G in their retail consumption basket comes down and stabilizes at around 55%, as is the case with mature economies like the UK. But such a decline is gradual and spans

decades.

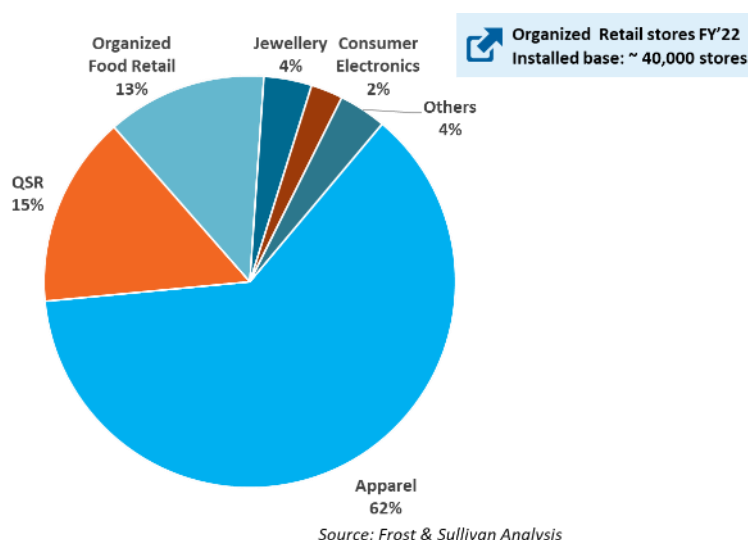
### Estimates of organized retail outlets in India

Frost & Sullivan estimates that there is approx. 40,000+ organized retail stores/outlets in India at the end of FY2022. This does not include retail stores and outlets of local city-level brands and mom-and-pop stores. The organized retail store count has grown almost four times in the last seven years. The top 50 brands account for approximately 75% of these organized retail stores/outlets.

The stores / outlets have been classified under six segments:

- a. Apparel, Fashion, Lifestyle, and Footwear
- b. Quick Service Restaurants
- c. Organized Food Retail (Hypermarket, Supermarkets, etc.) – 5,000+
- d. Jewellery
- e. Consumer Electronics – 1,000+
- f. Others (High-end and fine dining restaurants, Furniture, etc.)

As at the end of FY2022, the first three segments account for approximately 90% of the organized retail outlets in India. The Indian apparel industry is the largest segment of the Indian organized retail industry and is currently witnessing some major shifts. Entry of international brands, changes in preferences from non-branded to branded, a fast-growing economy, large young consuming population in the country has made India a highly lucrative market. The following chart highlights the number of organized retail stores in India by various segment.



**Chart 41.: Overall number of organized retail stores in India, by category, split in %, in FY2022**

### Types of Retail store in India and the importance of LED lighting

This section dives deep into each organized retail segment, leading brands present in that segment and their store counts and importance of LED lighting in that segment.

#### 1. Apparel, Fashion, Lifestyle stores

Apparel/fashion/ lifestyle industry is one of the most important sectors of the economy with regard to investment, revenue, trade, and employment generation all over the world. The significance of the apparel industry is entirely based on the contribution of the industrial productivity and employment. Apparel sector contributes to the country's GDP after agriculture and thus plays a major role in its augmentation.

The right type of lighting is crucial to create an appealing environment at an apparel store, one that can stir the interest of prospective buyers and increase sales. Smart lighting in a store can draw attention of customers to products or brands on sale. Lighting is much more than an aesthetic element and when deployed strategically, can enhance sales at a store.

The average organized Apparel store size is currently 5,000 to 8,000 square feet, with small stores ranging in size between 700 square feet and 2,500 square feet, and smaller micro-stores in urban markets with a size below 700 square feet. The key companies in this market in India are Nike, Adidas, Reliance Trends, Jockey, Flipkart, Relaxo, Westside, Bata, LUX, and H&M. Estimates suggest that there is approximately 25,000 organized apparel, lifestyle, fashion, and footwear retail stores/outlets in India at the end of FY2022.

## **2. Organized food retail**

Grocery stores and supermarkets provide a wide range of food products. Selections typically include fresh and packaged foods, pet food, and basic household products. Reliance Fresh, Star Bazaar, More, D-Mart, Big Bazaar and Spencer's retail are examples of the grocery or supermarket retail category.

When it comes to grocery store lighting, it is important to highlight items in an appealing manner by way of proper illumination. In particular, with respect to lighting for the produce section, one needs to consider colour temperature, low heat emitting and colour rendering.:

The average organized grocery store size is currently 20,000 to 30,000 square feet, with small formats ranging in size between 5,000 square feet and 15,000 square feet, and even smaller micro-stores below 5,000 square feet in urban markets. Estimates suggest that there are approximately 5,000 organized retail stores/outlets in India (Hypermarket, Supermarket) at the end of FY2022. This does not include retail stores and outlets of local city-level brands and mom-and-pop stores.

## **3. Quick service restaurants (QSR)**

QSR, or Quick Service Restaurants, is a name of the industry for the fast-food restaurants that offer you food that does not require much time for preparation, will be served instantly and with low costs. The average size of quick service restaurant is currently 1,200 to 2,500 square feet, with smaller restaurants ranging in size between 700 square feet and 1,000 square feet, and even smaller restaurants with size below 700 square feet in urban markets..

One of the most common lighting fixtures used in quick-serve establishments is recessed troffers utilizing fluorescent lamps. This form of lighting is typically inexpensive and most commonly comes in 2×4 or 2×2 troffers utilizing either T8 or T12 fluorescent tubes.

The key companies in this market in India are Dominos, KFC, Subway, Pizza Hut, McDonalds, and Burger king. Estimates suggest that there are approximately 6,000 Quick Service Restaurants outlets in India at the end of FY2022.

## **4. Jewellery**

The penetration of organized jewellery stores in India was approximately 8.5% (by value) of the retail market in FY2022. Typically, jewellery in India is not bought for occasions and adornment purposes only. Investment has been an important reason for jewellery purchase as well.

Jewellery stores are one of the most challenging commercial spaces when it comes to indoor lighting solutions. Jewellery made from items like gold, silver, diamonds, etc. are shiny and tend to reflect a lot of light. Moreover, they contain fine details and designs. Thus, they require customized lighting solutions that cater to all the requirements of a jewellery store. Typically, a lighting solution with 70+ CRI (Colour Rendering Index, which measures the ability of a light source to accurately reproduce the colours of the object it illuminates) can work perfectly for jewellery stores. However, one can go higher (80+ CRI) depending on the requirements of the store.

Kalyan Jewellers, Tanishq and Malabar are some of the leading retailers in the jewellery and watches segment within the organized market across the country. Estimates suggest that there are approximately 1,500 organized jewellery stores/outlets in India as at the end of FY2022.

## **5. Consumer Electronics**

Consumer electronics are electronic equipment for non-commercial use. Consumer electronics include devices that provide one or more functionalities such as computers, laptops, mobile devices, smart wearables, television sets, refrigerators,

smartphones, and home appliances.

Consumer Electronics & Appliances Companies in India include HCL Tech, OPPO, Vivo, Bosch, Samsung, Godrej & Boyce Manufacturing, Dell, LG Electronics. Estimates suggest that there are approximately 1,000 organized consumer electronics retail outlets in India at the end of FY2022.

## **6. Others (High-end and fine dining restaurants, Furniture)**

For high-end restaurants, the ambience in a restaurant plays an undeniably significant role in shaping the customers' overall dining experience. Ambience ties the cuisine, service, and environment together to define the diners' perception of a restaurant.

Good lighting has the capacity of creating a good sense of space if it is executed properly, as it will enhance the quality of a setting. LED lights instil positive mood and helps customers to relax and enjoy their meals.

High-end restaurants and furniture stores in India include Starbucks, Barbeque Nation, Haldiram, Godrej Interio, and Ikea etc. Estimates suggest that India has about 1,500 outlets which include premium high end fine dining restaurants, furniture stores etc. at the end of FY2022.

### **Organized Retail LED Market in India**

Based on information furnished by the leading retailers in their websites and interactions by Frost & Sullivan with the industry experts, approximately 5,200 new retail stores have become operational in India in FY2022. These new retail stores offer LED lighting business opportunities. In addition, trends suggest that a new store goes for replacement / refurbishment / retrofitment / renovation after 6 – 7 years whereas the entire lighting of the outlet is changed during this time. This renovation projects also offer LED lighting business opportunities. Estimates suggest that approximately 2,500 retrofitment projects were executed in FY2022. Hence, a total no. of 7,700 stores / lighting projects were considered for FY2022 for market size calculation.

Cost of LED lighting in a store varies from INR. 1 lakh to INR. 30 lakhs – segments such as QSR spends much lesser on the lighting than the segments such as Lifestyle, Fashion and Jewellery stores. For the market size calculation, an average spends of Rs. 3 lakhs on LED lighting have been considered for a store. Based on the forementioned assumptions, Organized Retail LED lighting market has been estimated at INR 2,330 million in FY2022. The market is expected to grow at 15% to reach approximately INR 2,680 million in FY2023.

## **C. Overview of the Indian Commercial Refrigeration Market**

Commercial Refrigeration market in India is highly fragmented with presence of many regional and local suppliers. Large players in the past have taken initiative to organize the market for certain product categories. –The largest eight to ten national players enjoy 65 – 70% market share due to very good presence in the high-volume categories, such as Visi Cooler and deep freezer. However, remaining 35 – 40% market is highly fragmented with presence of more than one hundred players across regions and cities. Per F&S analysis, Voltas is the market leader in the Indian commercial refrigeration market. Blue Star, Western, Rockwell, Celfrost, Elanpro, Haier etc. are the other leading players in this market.

Majority of the suppliers (national, regional, and local) across Indian commercial refrigeration market product categories are Indian companies, although some foreign manufacturers such as Frigoglass, Haier, Arneg etc. are also catering to the Indian market. Almost all the major players have their own manufacturing facility in India except Haier, Elanpro and Celfrost. However, a significant volume is also imported from countries like China, Taiwan etc. Recent sharp depreciation in the Rupee value has impacted the margins of the importers and hence some large importers are contemplating setting up local manufacturing facilities in India.

Supply chain of the Com-ref products is highly complex in nature as there are multi-layer distributions. Other than suppliers and channels, a third party, also known as institutional buyers (companies like Coke, Pepsi, Amul, Nestle etc.), is an important stakeholder in Indian commercial refrigeration market value chain. These companies also buy products in large volumes from suppliers or channels and re-distribute the products to the end users.

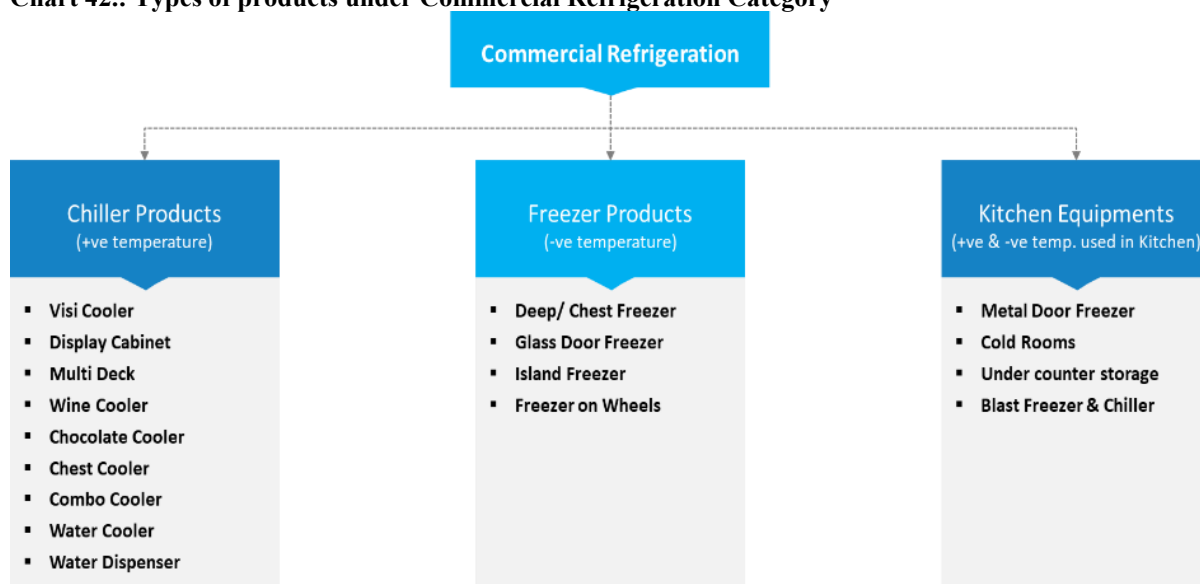
Emergence of service industry, higher disposable income and changing lifestyles have led to a clear and gradual shift in the consumption pattern in favour of ready-to-eat food besides the emergence of leading quick service restaurants. Organized retail of frozen meats and fresh vegetables in malls and other retail stores has also increased, thereby propelling the growth of commercial refrigeration market

## Types of Commercial Refrigeration Products

F&S has segmented the commercial refrigeration market based on product and end-user category. Based on product type, the market is divided into chiller product, freezer products and kitchen equipment's.

The chiller product segment collectively accounted for approximately 54% of the total Commercial refrigeration market share in India in Fiscal 2022, while the Freezer products segment accounted for approximately make 43% of the total Commercial refrigeration market in that year.

**Chart 42.: Types of products under Commercial Refrigeration Category**



Source: Frost & Sullivan Analysis

## Usage of Commercial refrigeration products across different applications

**Chart 43.: Commercial refrigeration products used under different categories**

Segments of Interest	Sub segments	Commercial Refrigeration - Products of Interest																
		Chiller Products							Freezer Products				Kitchen Equipments				Water cooler	Water Dispenser
		Visi Cooler	Display Cabinet	Multi Deck	Wine Cooler	Chocolate Cooler	Combo cooler	Chest Cooler	Deep Freezer	Glass Door Freezer	Island Freezer	Freezer on Wheels	Metal Door Freezer	Cold Room	Under Counter	Blast Freezer		
Bakery	Bakery chain	●	●			●		●	●									●
	Unorganized bakery	●	●			●			●									●
Hotels	Premium/ Luxury	●			●				●	●				●		●	●	
	Budget	●							●						●			
Restaurants	Food chain	●	●		●				●				●	●	●	●	●	
	Medium and small	●							●				●		●			●
Quick service restaurants	Café chain	●	●						●									
	QSR/ Fast food	●	●						●	●			●	●	●			●
Organized retail	Cash & Carry	●	●	●	●	●	●	●	●	●	●		●				●	●
	Hypermarket	●	●	●	●	●	●	●	●	●	●		●				●	●
	Supermarket	●		●		●	●	●	●	●								●
	Convenience store	●		●		●			●	●								●
Unorganized retail	Ice cream parlour		●						●									
	Processed food chain		●						●									
	Meat shop		●						●									
	Grocery shop	●				●	●	●	●									●
Offices	●																	●
Railways													●				●	
Industries													●		●	●	●	
Institutional buyers		●				●		●	●	●		●						

At present, commercial refrigeration finds major applications in:

- Grocery stores
- Quick service restaurants
- Restaurants,
- Organized retail
- Dairy
- Bakery
- Ice cream parlors and many such segments

The commercial refrigerators found in many of these applications have been installed to provide for practical designs that in a way are placed to capture the attention of customers at typically point of sale. Also, change in food consumption habits in the country trends and rising international food trade are additional factors contributing to the growth of the commercial refrigeration market in India.

### Market Size (value and volume) of Commercial refrigeration market in India FY 2022

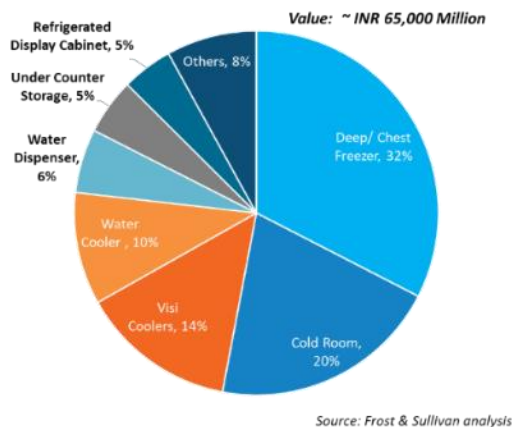
To estimate the market volume of the commercial refrigeration, F&S has considered 17 products under Com-Ref Category; these products are further classified into three categories: Cooler Products (+ve temperature), Freezer Products (-ve temperature) and Kitchen Equipment

Chest freezer is the most dominant category and is expected to maintain its dominance moving forward. However, water dispenser and Visi coolers are also market leaders, owing to increase in demand for commercial refrigeration in hospitality sectors and office spaces.

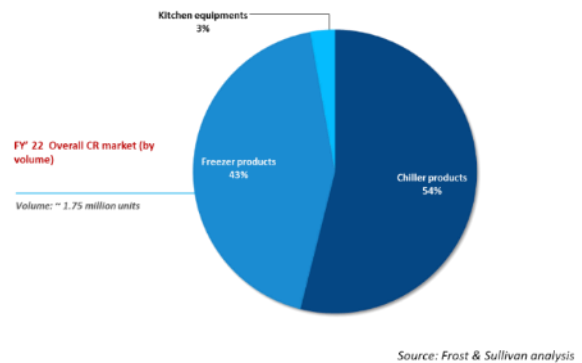
The commercial refrigeration market size is estimated to have a volume of approximately 1.75 million units in Fiscal 2022. In Fiscal 2022 Commercial Refrigeration market in India is estimated at ~ INR 65,000 million by Value.



**Chart 44.: Total commercial refrigeration market, value in INR million, India, FY22**

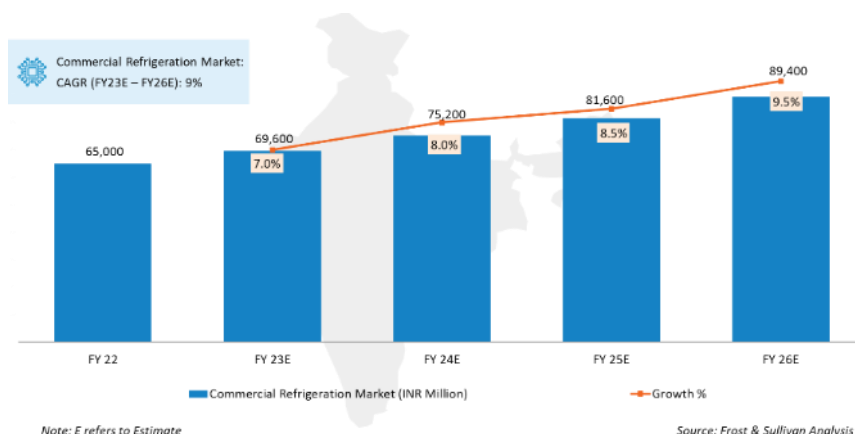


**Chart 44.: Total commercial refrigeration market, volume in units, India, FY22**



In Fiscal 2022, the chiller products segment was the most dominant segment accounting for approximately 54% of the Indian commercial refrigeration by volume and is expected to maintain its dominance moving forward. Water dispenser and Visi coolers are market leaders, owing to increase in demand for commercial refrigeration in hospitality sectors and office spaces. Commercial refrigeration is also gaining traction due to use of need for commercial refrigeration in hospitals and other medical facilities

**Chart 45.: Commercial refrigeration market growth projections, in value INR million, India, FY22-FY26E**

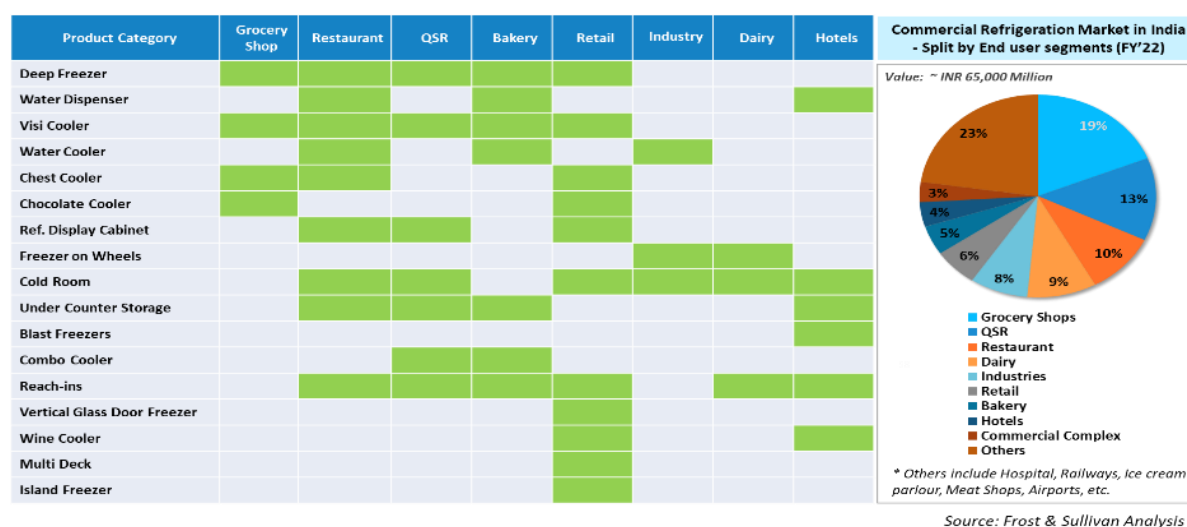


The Indian commercial refrigeration market is expected to witness an incremental growth till 2026, riding on the wave of increased in demand for frozen & chilled products among the consumers due to drastic changes in lifestyle and rapid urbanization being witnessed in the last decade. In addition, rapid growth in the organized retail sector, such as increase in number of hypermarkets and supermarkets, further boosts the overall sales of commercial refrigerators; thereby leading to the growth of the market.

Technological advancements and a growing number of quick service restaurants especially in a growing economy like India is providing numerous opportunities for the market to grow at a rapid rate.

There are certainly some concerns about the Russia Ukraine war and its impact on India. Certain high demand low supply trends seen along with supply chain disruptions may see some temporary shortage in supplies and this may indirectly have a negative effect on the prices in the short term.

**Chart 46.: Commercial refrigeration market size by segment, in value INR million, India, FY22**



The freezers segment accounted for a volume share of an estimated 43% in Fiscal 2022 across the commercial refrigeration equipment market. This is due to expansion of the travel industry and opening of various food joints and restaurants. The segment also covers blast chillers that are mainly used for freezing or cooling of items at lower temperatures and stopping bacteria growth in the stored item. It also finds major applications by healthcare professionals, to store tissue samples of vaccines and some critical medicines that need to be kept under stringent temperature conditions, is also contributing to the segment growth.

#### Key drivers for Indian commercial refrigeration industry

- Changing food habits
- Growth in Food Processing infrastructure
- Booming organized food retail and QSR segment
- Increase in usage of CR products in unorganized retail

#### Changing food habits

In India, people's lifestyles are changing as disposable income continues to increase. Consumers are increasingly valuing food safety and hygiene. With increasing exposure to the west, consumption of frozen items and ready to eat food items are increasing. Some obvious items that are seen to be stocked in refrigerators include, juices, cold drinks, ice cream etc. There is an increased demand for packaged food in the market. A lot of families instead of adventuring outside are now being experimental at home. Items like Paneer, baby corn, mushrooms, frozen peas, coconut milk and chocolate syrup were things that went into restaurant food earlier. Now they are part of a well-stocked home kitchen.

#### Growth in Food Processing infrastructure

Increasingly India is seeing availability of suitable food processing infrastructure being developed in the country in the face of cold chain, pack houses, etc. In order to address the growth of food infrastructure in the country Government is also implementing various schemes for infrastructure development including integrated cold chain facility.

#### Booming organized food retail and QSR segment

More and more people are preferring to shop at organized retail outlets. The presence of organized retail stores in the market has shifted the preferences of customers to various organized retail formats. Due to the changing demographics, urbanization, and awareness through electronic media especially internet the customers have multiple options to choose retail outlets. Majority of the customers are visiting organized retail for product variety, easy availability, cleanliness with various additional facility like entertainment for children and convenient parking facility etc. A typically large retail outlet store is anywhere between 50,000 and 100,000 square feet and sells a wide range of fresh, frozen, and chilled foods, fruits and vegetables, dry groceries, personal and home care. Despite the spike in prices, the demand outlook for quick service restaurant (QSR) chains is quite positive. Many of the restaurants like Subway, McDonalds, and KFC are seeing an increase in demand for commercial refrigeration. It becomes easier for a QSR brands to enter the frozen food segment as they use

standard process and recipes for quick turnaround of orders.

### Increasing usage of CR products in the unorganized food retail segment

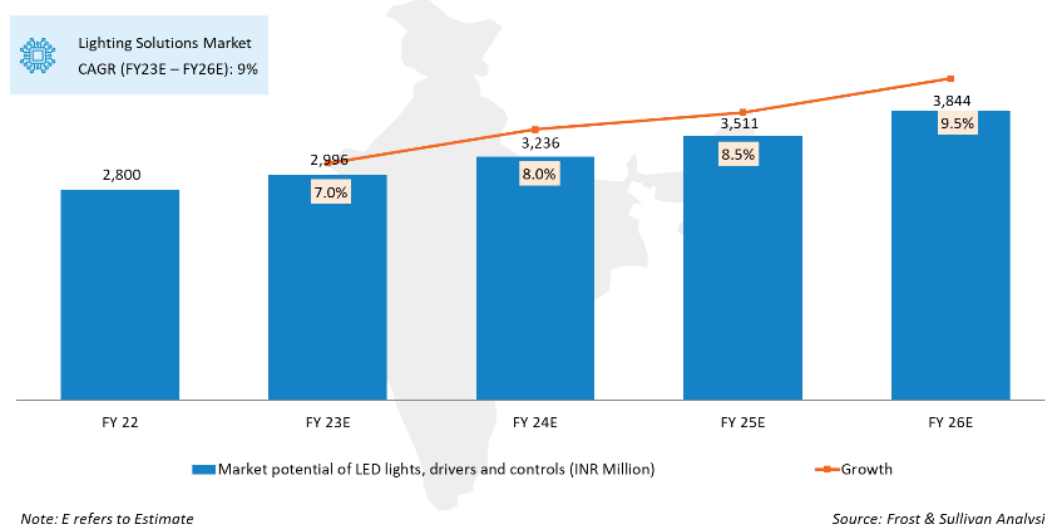
Cold chain infrastructure is growing across the unorganized retail sector as well. Traditional retail stores are increasingly using number of modern technological facilities including equipment's used to store cold drinks, ice creams and chocolates that need temperature-controlled equipment's. The local meat shops have started storing branded packaged products like salamis, sausages etc that require refrigeration to keep these items fresh.

### Lighting applications in Commercial Refrigeration products

#### Current and projected potential for lighting solutions in Indian commercial refrigeration Industry

As per Frost and Sullivan analysis, the total market potential for lighting solutions (lights, drivers, and controls) in commercial refrigeration segment is valued at approximately INR 2,800 million (USD 38 million) in Fiscal 2022. The Covid-19 pandemic has given a much-needed boost to the sector and demand for commercial refrigeration is growing especially in healthcare, pharmaceuticals, and food processing industries.

**Chart 47.: Projected growth in Lighting solutions business in Commercial Refrigeration segments, in INR million, India, FY23E-FY26E**



As the nation is witnessing a rise in adoption of energy-efficient lighting, increase in the development of programmable LED drivers, and surge in adoption of smart infrastructure is further driving the lighting solutions market growth. Owing to these market trends, F&S estimates that the market has the potential to grow at an CAGR of 9% to reach approximately INR 3,850 million in Fiscal 2026.

#### Chart 48.: Lighting applications in Commercial refrigeration product

Commercial Refrigeration Category	LED Lighting Usage
Deep Freezer 	<ul style="list-style-type: none"> <li>LED Bulb &amp; Strip lights used down inside the freezer when you open the freezer.</li> </ul>
Water Dispenser 	<ul style="list-style-type: none"> <li>Small red/yellow led bulbs accompanied outside the freezer when plugged in. UV-LED light is installed in the cold-water tank to kill the bacteria</li> </ul>
Visi Cooler 	<ul style="list-style-type: none"> <li>Visi cooler comes with a back lit canopy with LED tube</li> </ul>
Water Cooler 	<ul style="list-style-type: none"> <li>LED Bulb lighting is used on the cooler to indicate whether the machine is running. When the water has been chilled, usually a small led bulb used.</li> </ul>
Chest Cooler 	<ul style="list-style-type: none"> <li>LED Bulb &amp; Strip lights are used either on the ceiling door of the cooler or down inside when you open the cooler, along with tiny led bulbs outside cooler</li> </ul>
Chocolate Cooler 	<ul style="list-style-type: none"> <li>LED compact strip lighting used all around the</li> </ul>
Freezer on Wheels 	<ul style="list-style-type: none"> <li>LED Bulb &amp; Strip lights inside the freezer.</li> <li>LED bulb accompanied on top of the walking freezer with small red/yellow led bulbs</li> </ul>
Display Cabinet Coolers 	<ul style="list-style-type: none"> <li>Fitted with LED Strip lights all around the cabinet to show the product offering in an appealing way.</li> </ul>
Under Counter Storage 	<ul style="list-style-type: none"> <li>LED Puck Lighting, Under Cabinet Lighting - used on the ceiling of the cabinets</li> </ul>
Multi Decks 	<ul style="list-style-type: none"> <li>Below lower shelf, on the sides</li> </ul>
Cold Rooms 	<ul style="list-style-type: none"> <li>Flood lights, cold storage lighting - used on the ceiling of the room</li> </ul>
Blast Freezer 	<ul style="list-style-type: none"> <li>LED backlights to be used at the back lid of the freezer</li> </ul>
Combo Cooler 	<ul style="list-style-type: none"> <li>LED Bulb &amp; Strip lights are used on the ceiling door of the cooler or down inside when you open the door, along with tiny led bulbs outside cooler</li> </ul>
Glass Door Freezer 	<ul style="list-style-type: none"> <li>LED tube or tube lights – used on the sides of the freezer on the inside</li> </ul>
Wine Cooler 	<ul style="list-style-type: none"> <li>LED backlights to be used at the back lid of the cooler and on ceiling of the door</li> </ul>
Reach- Ins 	<ul style="list-style-type: none"> <li>LED panels and strip lights inside the reach-ins while digital LED display boards on front in some models</li> </ul>
Island Freezer 	<ul style="list-style-type: none"> <li>Large LED tube panel lights attached in every row of the freezer, small LED power bulbs attached at the sides and bulbs at the bottom of the freezer</li> </ul>

## Overview of US Recreational Vehicle Market

A recreation vehicle (RV) is designed as a temporary living space for travel, camping, and seasonal use. RVs may have their own motor power (motorhomes), be mounted (truck campers) or towed by another vehicle (travel trailers, fifth wheel trailers, folding camping trailers). These RVs typically retail in the range from about USD \$5,000 for towable models (folding camping trailers) to USD \$500,000 or more for motorhomes (Type A motorhomes). The variety of options available in the RV space allows them to appeal to a wide range of consumer preferences and income levels.


In addition to their recreational use, RVs may also be used for many commercial and other purposes such as use as mobile offices, medical clinics, bathrooms, laundries, food trucks etc. They can also be used for temporary shelter for aid workers and contractors or for families that have lost their homes.

### Types of Recreational vehicle – Market Segmentation

Based on Vehicle, the market is bifurcated into Motorhomes and Towable RVs. There is a rapidly growing market for towable RVs due to their affordability and low cost over motorized RVs

It is observed that the gasoline segment growth rate is propelled by its higher RPM advantages in passenger vehicles. It is also observed that there is a preference towards Gasoline as it is more combustible than diesel, therefore enhancing the engine power significantly.

**Chart 49.: Various types of recreational vehicles**



RV TYPE	Conventional Travel Trailer	Fifth Wheeler	Truck Camper	Class B Motorhome	Class C Motorhome	Class A Motorhome
Approximate Percentage of Annual Sales	55%	19%	3%	4%	9%	7%
Approximate Percentage of Installed based	38%	20%	5%	7%	12%	10%
Type	Towable RV			Motorhomes		

**Travel Trailer:** A travel trailer is the least expensive way to enjoy a recreational vehicle or RV. Travel trailers sell more than any other form of recreational vehicles in the market. Travel trailers are very popular as they are easy to park at a campsite and then also explore the area while the RV stays where you parked it. Some of the popular brands here include Forest River, Keystone, Jayco, Coachman, Heartland etc.

**5<sup>th</sup> Wheel:** One popular choice for travelers of all kinds is 5<sup>th</sup> wheel campers. A 5<sup>th</sup> wheel camper is a camping trailer that is pulled behind a truck and attached to the truck via a hitch mounted in the center of the truck bed. Fifth wheels are a common option for full-time RVers with families because they are spacious, often have more storage space, and are easier to tow – which is helpful when driving often. Some of the key players in this segment include Key stone, Forest river, Grand Design, Jayco, Heartland etc.

**Truck Camper:** Truck campers are usually considered the most versatile form of recreational vehicle. They can go virtually anywhere a pickup truck can go. Technically speaking, any RV that can be easily dismantled from the carrying vehicle qualifies as a truck camper. Major players here include Forest River, Coachman, Columbia Northwest, Jumping jack etc.

**Class A:** A-Class Motorhomes or Class A Motorhomes are the most popular in the motorhome category, as they offer several advantages over other classes. A-class motorhomes are luxury vehicles and are very spacious on the inside for families. Thor motor coach, Tiffin, Newmar, Winnebago, Forest River etc. are key names in the Class A category of recreational vehicles

**Class B:** Class B motorhomes are the smallest motorhome type. They are also known as van campers and look like an oversized family van on the road. Class B motorhomes range from 18 to 24 feet long, sleeping up to four at a time and often start around USD \$50,000. Class B motorhomes offer a smaller cabin for owners than Class A or Class C motorhomes. Prominent players include Winnebago, Erwin Hymer, Coachman, Pleasure-way, Airstream etc

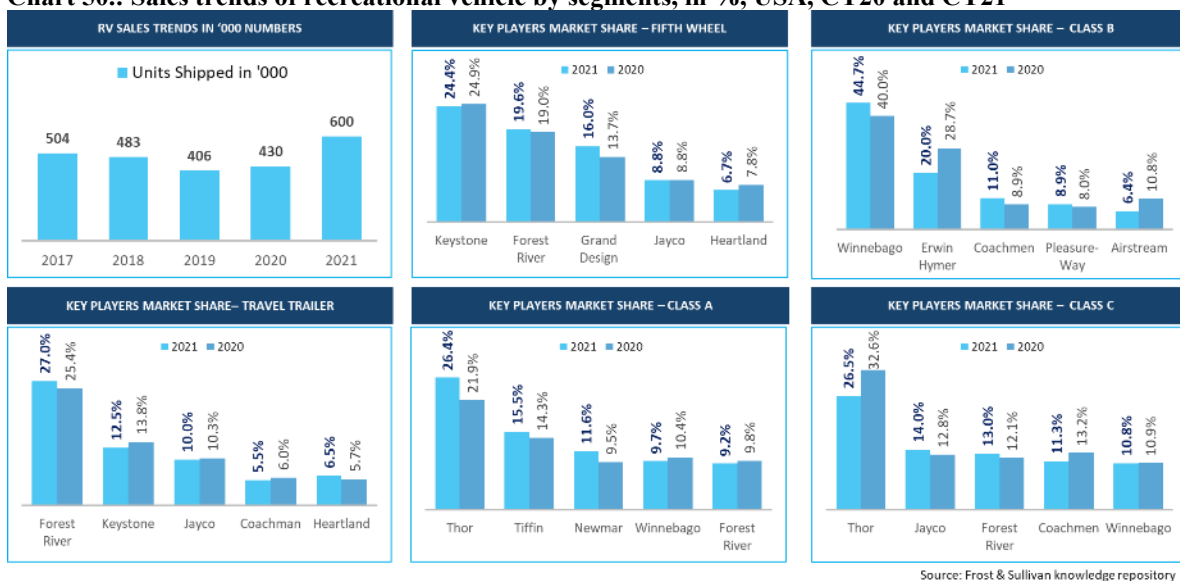
**Class C:** Class C motorhomes are the middle ground between Class A motorhomes and Class B motorhomes. They look like a larger version of the van camper with an overhead cabin above the driver and passenger seats for extra sleeping or storage accommodations. Class C motorhomes range from 30 to 33 feet long, sleep up to eight and start around USD \$65,000. Class C motorhomes give you more space than Class B motorhomes and come with all the luxuries you'd expect in a Class A motorhome. Dominant players include Thor, Jayco, Forest River, Coachmen, Winnebago

#### Key participants in the recreational vehicle market – Sales Trend

- This statistic shows the number of shipments of recreational vehicles in the United States from 2020 to 2021. The number of RV shipments rose from 430,000, in 2020 to 600,000 in 2021.
- Forest River, a unit of multinational conglomerate Berkshire Hathaway Inc., accounted for 27.0% of travel trailer sales in 2021. Forest River (excluding its Coachmen, Palomino, Prime Time, and Shasta subsidiaries) accounted for 25.4% in 2020. Keystone was second in travel trailers, with a 12.6% market share last year, compared with 13.8% in 2020.

- Following this was Thor's Jayco Inc. subsidiary, which also lost market share, dipping to 9.6% in 2021 from 10.3% in 2020. (Jayco's market share figure does not include its Highland Ridge or StarCraft subsidiaries.).
- In fourth place in travel trailers was Forest River's Coachmen subsidiary with 6.0% market share in 2021, versus 5.7% in 2020. Rounding out the Top 5 in travel trailers last year was Thor's Heartland subsidiary, which achieved a 5.7% market share, compared with 6.5 % a year earlier.
- In fifth wheels, Keystone maintained its top spot even though its retail market share slipped a little lower to 24.4% in 2021, from 24.9% in 2020. Forest River was second, compiling a 19.6% market share in 2021, up from 19.0% in 2020.
- The other Top 5 fifth wheel builders were Winnebago Industries Inc.'s Grand Design subsidiary, which gained over two percentage points in market share to reach 16.0% in last year, from 13.7% in 2020. Meanwhile, Jayco's fifth wheel market share was flat at 8.8% the last two years while Heartland finished fifth at 6.7% in 2021, versus 7.8% in 2020.

**Chart 50.: Sales trends of recreational vehicle by segments, in %, USA, CY20 and CY21**



In motorhomes, Thor Motor Coach (TMC) was the market share leader once again in Class A's and Class C's, despite losing significant amounts of retail market share in both product categories.

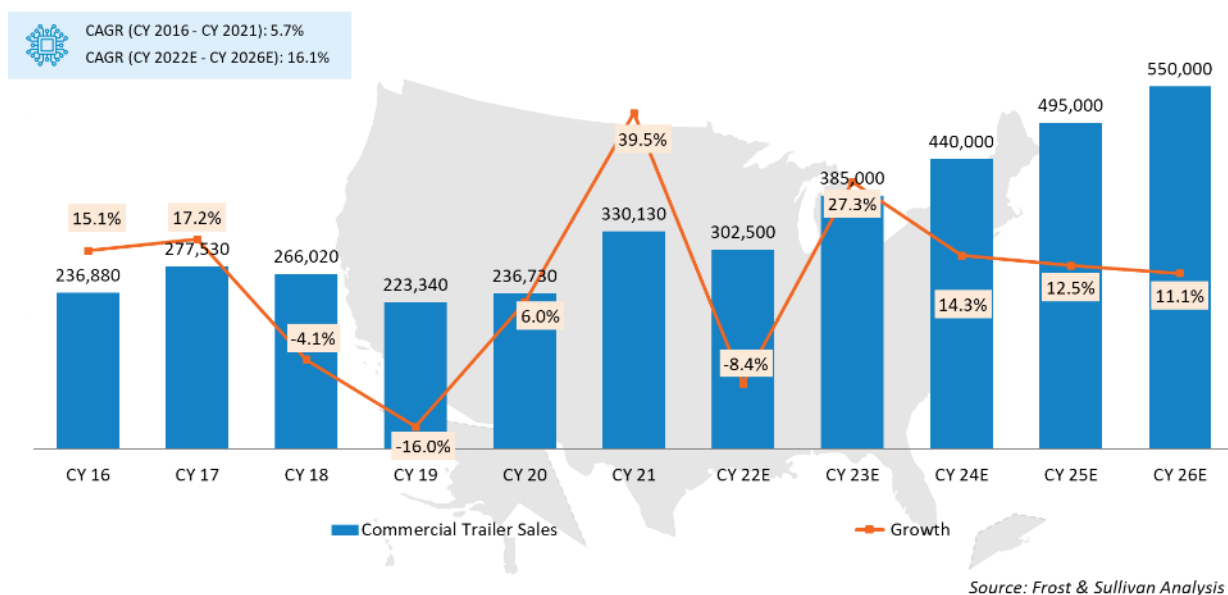
TMC held 21.9% of the Class A market when gasoline and diesel engine units are combined. It had 28.8% of the gas-only market. Tiffin Motor Homes Inc. was second in the combined gas and diesel Class A market, increasing to 15.5%. Winnebago's recently acquired Newmar subsidiary was third in the combined gas and diesel Class A segment at 11.6% while Winnebago-brand placed fourth at 9.7%. Forest River, excluding its Coachmen and Dynamax subsidiaries, placed fifth at 9.2%.

**Commercial Trailer:** The commercial trailer segment which makes up approximately 55% of the total recreational vehicle market sales in CY 2021. The total sales of commercial trailers in USA stands at approx. 330,000 units in CY 2021 growing at approx. 40% between CY 2020 and CY 2021. Trailers are the entry level RVs and are by far the least expensive way to get a recreational vehicle (RV). Typically, owners of these commercial trailers often have an SUV or truck to haul them around. They're much cheaper and simpler to own than any other RV out in the market and they are quite versatile and come in a wide range of designs, sizes, and prices. People are also preferring Commercial trailers as they can continue to use their primary vehicle that hauls these trailers around and not use them solely as a coach. They are also easier to maneuver especially when one is navigating around downtown roads that are usually narrow or even going through a drive-through.

**Commercial Trailer market size and growth forecast CY15-CY26E:** The sales of commercial trailers were not affected as much as the other categories in CY20 which was the pandemic year. The commercial trailers witnessed a significant growth in the demand in CY21 as well, due to relaxation in travel restrictions.

**Chart 51.: Projected growth in Commercial Trailer sales, volume in units, USA, CY15-CY26E**





The rise in entry level RVers and Campers wanting to maintain social distancing was also a contributing factor towards the growth of this market.

#### Key growth drivers for Commercial Trailer market in the USA

- Rapid expansion of tourism industry
- Advances in technology
- Increasing number of recreational parks
- Surge in commercial trailer rental services
- America the beautiful initiative from US Government
- Developing trail network

**Rapid expansion of tourism industry:** There is increasing emphasis on travel and tourism globally which is providing an opportunity for the recreational vehicle market to expand in USA. There is a rising demand coming especially from Gen Z which is preferring to camp outdoor more frequently.

**Advances in technology:** Rampant changes in technology are expected to continue to be a major driver of commercial trailer market growth. The US commercial trailer and camper industry have experienced many technological advances in the last decade and this trend is expected to intensify. Features such as biometric vehicle access, comprehensive vehicle tracking etc. are expected to drive the commercial trailer market during the forecast period.

**Increasing number of recreational parks:** The North American Recreational vehicle market is likely to dominate and may expand due to the rapidly growing number of recreational parks, national parks, and camping ground in the country. Indicatively, there are approximately 13,000 privately owned and 1,600 public campgrounds within the United States which enables individuals to go for outdoor activities by camping within their recreational vehicles

**Surge in recreational vehicle rental services:** The trend of outing on weekends with family is increasing by the day because of the hectic and busy schedule in corporate industry. This also raises the demand for the recreational vehicles. Therefore, surge in recreational vehicle rental services helps to drive the growth of the market. Surge in recreational vehicle rental services, increase in the use of recreational vehicles in film industry. The demand for the recreational vehicle is majorly increased by the film industry owing to the remote locations of film shooting.

**America the beautiful initiative:** As part of the Presidents America the beautiful initiative, the Government has launched an agency called the Federal Interagency Council on Outdoor Recreation (FICOR) that works towards creating more safe, affordable, and equitable opportunities for Americans to come outdoors. Investing in creating recreation infrastructure, such as electric vehicle charging stations, trails, campgrounds, and boating access are initiatives that are likely to boost market for Recreational vehicles

**Developing trail network:** The US Government has recognized the importance of outdoor recreation is working towards

developing and expanding trail networks in the country that is sure to attract overnight visitors and new businesses.

## India Solar Market Opportunity

### Overview of the Indian Solar Market

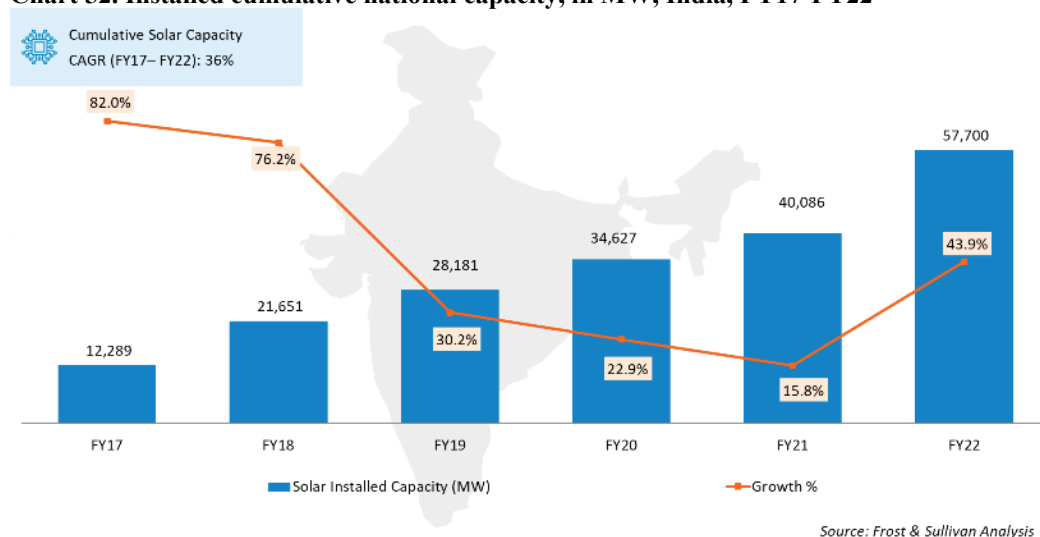
Indian renewable energy sector is the third most attractive renewable energy market in the world, which is a key part of the energy transition<sup>3</sup>. Markets are ranked on attractiveness on the basis of their renewable energy investment and deployment opportunity. With the Indian government's increased support and improved economics, the Indian solar power sector has become attractive from an investor's perspective.

The use of solar power in India is growing at a rapid rate. The country's solar installed capacity has gained pace over the past few years. As of June 2022, India's installed cumulative solar energy capacity stood at 57.7 GW, representing nearly 50% of the overall installed renewable energy capacity of 114 GW. Solar power installed capacity has increased by more than 22 times, from 2.63 GW in March 2014 to 57.7 GW at the end of July 2022.

India has added 7.2 GW of solar power capacity, during the first half of 2022.

India is targeting an ambitious 450 GW of installed renewable energy capacity by 2030 of which about 280 GW (over 60%) is expected from solar. As announced in the COP26 conference held in November 2011, India has committed to generating 500 GW of power from non-fossil (e.g., solar, wind, hybrid power sources, hydrogen, biofuels, etc.) fuel sources by 2030, and reducing carbon emissions by one billion tons by the end of the decade.

**Chart 52. Installed cumulative national capacity, in MW, India, FY17-FY22**



### Measures were taken by Government to promote solar energy

As India is moving swiftly towards achieving its target of emerging global leader on the solar front, positive steps are to be taken to resolve the imports of important components like solar cells, modules, and solar inverters, that the Indian solar industry is considerably dependent upon.

Certain measures taken by the Indian government include the following: -

**Import Duty:** The Indian government has been taking several measures to promote local manufacturing under its 'Make in India' mission. As part of its moves to reduce imports, India imposed a 40% duty on the import of solar modules and a 25% duty on the import of solar cells in April 2022. This is expected to boost and promote domestic manufacturing substantially.

**PLI Schemes:** The Production Linked Incentive (PLI) Scheme was introduced by the Indian government, as an attempt to boost India's manufacturing capabilities and exports. Under the provisions of this scheme, manufacturers receive support from the government for establishing integrated manufacturing units of high-efficiency solar photo voltaic modules.

<sup>3</sup> Source: [https://www.ey.com/en\\_in/recai](https://www.ey.com/en_in/recai)



**Bureau of Indian Standards Certification:** The Indian government mandated the requirement of BIS certifications on all solar products, which will help set higher quality parameters for domestic manufacturers, ultimately benefiting end customers.

**Approved List of Models and Manufacturers:** To protect the interest of customers and to also ensure the manufacturing of reliable PV modules, the Ministry of New and Renewable Energy had also introduced an Approved List of Models and Manufacturers (ALMM) of solar PV cells and modules. The above actions are expected to help India emerge as a leading global supplier of solar products, along with meeting its domestic requirements.

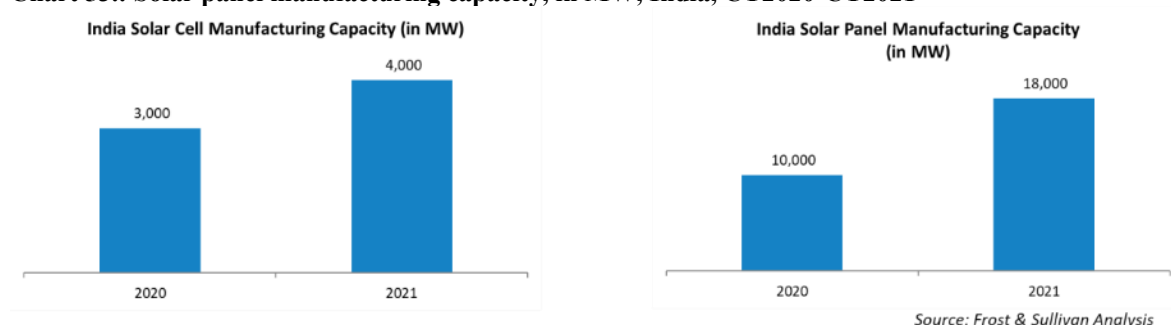
### Solar panel manufacturing scenario in India

Along with leveraging its growing green energy market to boost manufacturing, India is also looking to play a bigger role in global supply chains. PLI schemes seek to create global manufacturing hubs in India by creating economies of scale to develop complete component ecosystems in the country.

With the introduction of ‘Make in India’ endeavors, India is looking to play a bigger role in global supply chains. Polysilicon is the building block for solar PV manufacturing from which ingots are cast. Wafers cut from ingots are then used to make solar cells, after which modules are assembled. Globally, the manufacturing of polysilicon, ingot, and wafers is dominated by China. A global price increase of fuels such as crude oil, gas, and coal has extended to solar space, with module prices reaching a high of 28 cents per kilowatt-hour (kWh) in 2021. With modules making up nearly 60% of a solar power project’s total cost, any price increase will negatively impact the internal rate of return (IRR) of such solar power projects.

India is witnessing high growth in solar capacity additions, mainly driven by the recent economic recovery from the COVID-19 pandemic as well as various policies and incentive schemes imposed by the Indian government. India’s cumulative manufacturing capacity for solar cells had increased at a CAGR of 33.3% from 3 GW in CY2020 to 4 GW in CY2021. These solar cells are supplied to the domestic panel manufacturing industry. India’s cumulative manufacturing capacity for modules (or solar panels) had increased at a CAGR of 80.0% from 10 GW in CY2020 to 18 GW in CY2021. The manufacturing capacity for modules (or solar panels) in CY2021 is approximately four times the capacity available in the country in CY2016. The plan to increase the existing local manufacturing is aided by an additional allocation of INR 195,000 million for the production-linked incentive (PLI) scheme for high-efficiency solar modules in the Indian government’s Fiscal 2023 Union budget. This is in addition to the INR 45,000 million already allocated to the scheme for manufacturing solar photovoltaic modules.

**Chart 53.: Solar panel manufacturing capacity, in MW, India, CY2020-CY2021**

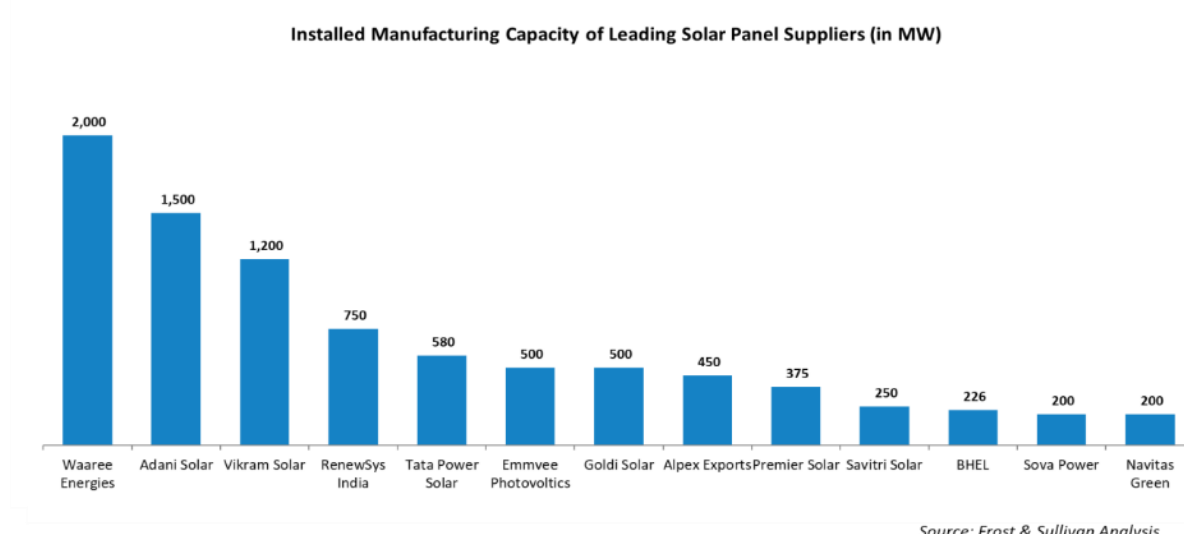


In addition, the implementation of custom duty of 40% on solar modules and 25% on solar cells by the Indian government is also expected to boost domestic manufacturing of these solar products. Also, a large manufacturing zone each in a coastal state, a mountain state, and a landlocked state is being set up to produce power and renewable energy equipment. The government has recently invited bids for pilot projects to set up two brownfields and one greenfield manufacturing zone to meet growing domestic demand and power needs. The zones will play a critical role in meeting India’s commitment at the COP26 summit last year. Vikram Solar is presently expanding its capacity in the coastal state of Tamil Nadu. Other major companies like ReNew Power, Acme Solar, and Adani Solar are currently in the advanced stages of negotiations with a few shortlisted states to set up the facility.

Going forward, India’s manufacturing production capacity for solar cells is expected to increase from 4 GW in CY2021 to 18 GW by the end of 2023, and the manufacturing production capacity for solar panels to increase from 18 GW in CY2021 to 36 GW by the end of 2023.

## Key Players in India and their capacities

**Chart 54.: Installed manufacturing capacity of solar panel suppliers, in MW, India**

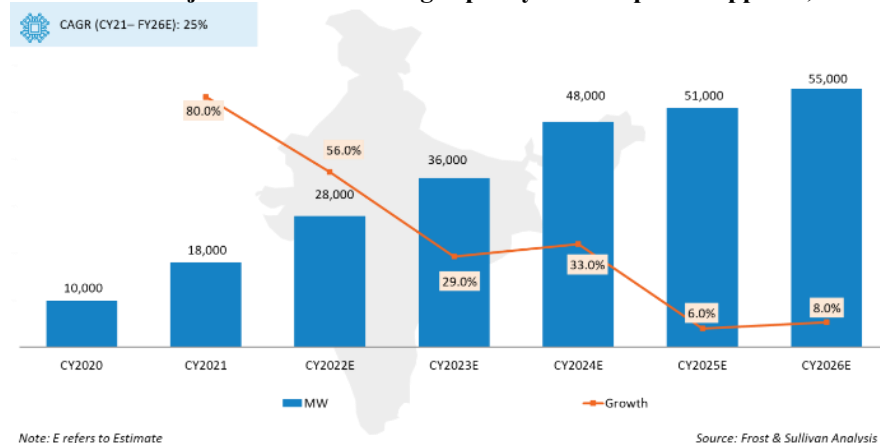


## Growth opportunity for New Entrants in the Indian solar market

The imposition of customs duties on imports of solar cells and solar panels in April 2022 and the implementation of various policies promoting domestic manufacturing of solar products are expected to show a positive impact on the domestic manufacturing capacities in the Indian solar market. However, it has currently created a demand-supply gap. To meet the current demands of the solar industry and to achieve the target of 280 GW of solar power by 2030, India needs to focus on the expansion of its solar cell and module manufacturing capacities along with the introduction of the latest technology-based high-efficiency solar PV modules. These present new entrants with various opportunities to enter the Indian solar market. Based on various government policies and current market scenarios, new entrants find solar manufacturing to be a key area of growth domestically.

Despite various short-term challenges, the benefits are expected to be seen in the long term as policies become even more favorable for the sustainable growth of the Indian solar sector. Several domestic solar PV module manufacturers have announced their expansion plans so that they can fill the widening demand-supply gap. Project developers, such as ReNew Power and Avaada, are planning to enter solar PV module manufacturing to exploit the benefits of vertical integration. Having their own manufacturing capacities will assist project developers to save on the cost of solar panels, which accounts for 50% to 60% of the total cost of a solar project. Public sector units, such as Coal India and BHEL, which have long been associated with the conventional source of energy are now entering the renewable energy sector. Coal India plans to develop integrated manufacturing of solar cells, wafers, and solar panels. It is expected that many other PSUs may also enter the solar manufacturing space.

**Chart 5.26: Projected manufacturing capacity of solar panel suppliers, in MW, India, CY 2020-2026E**



Large conglomerates, such as Jindal, Reliance, and SSE, are entering into integrated solar PV manufacturing. The Indian government policies are also favorable for the exports of PV modules. The sentiments towards Chinese products also give tremendous opportunity for Indian Solar PV manufacturers to develop strong relations with international buyers. In addition to module manufacturing, there is also a need for the manufacturing of cells, wafers, and other ancillaries like ethylene vinyl acetate, glass, back sheet, etc. The current scenario has made domestic solar PV manufacturing an attractive opportunity for many companies, including both existing players and new entrants.

## OUR BUSINESS

*Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” on page 23 of this Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33 and 406, respectively of this Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report, which has been commissioned and paid for by us in connection with the Offer.*

*Unless the context otherwise requires, references in this section to “the Group”, “we”, “us”, or “our” are to IKIO Lighting Limited and its subsidiaries and associates on a consolidated basis and “our Company” or “the Company” are to IKIO Lighting Limited..*

*Unless otherwise indicated or the context requires otherwise, (i) the consolidated financial information of the Company and its subsidiaries and associates (the “Group”) for the nine months ended December 31, 2022 included herein have been derived from our consolidated restated balance sheet of the Group as at December 31, 2022 and March 31, 2020, and our consolidated restatement of profit, cash flows and changes in equity of the Group for the nine months ended December 31, 2022, together with the statement of significant accounting policies, and other explanatory information thereon, and (ii) the proforma consolidated financial information for the nine months ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 included herein have been prepared by our management and reviewed by our statutory auditors. Since September 12, 2022, our Company owns 100% of the outstanding share capital of the Subsidiaries. The Consolidated Restated Consolidated Financial Information for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020 does not include financial information for the Subsidiaries prior to their acquisitions by our Company. The Proforma Consolidated Financial Information have been prepared to include the Subsidiaries, which are under the common control of the Promoter, as if such entities were wholly-owned subsidiaries of the Company for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.*

### Overview

We are an Indian manufacturer of light emitting diode (“LED”) lighting solutions. We are focused on sustainability and providing low energy LED products to help India meet its sustainability goals. We are primarily an original design manufacturer (“ODM”) and design, develop, manufacture and supply products to customers who then further distribute these products under their own brands. We also work with our customers to develop, manufacture and supply products that are designed by our customers. Our products are categorised as (i) LED lighting; (ii) refrigeration lights; (iii) ABS (acrylonitrile butadiene styrene) piping; and (iv) other products. Our LED lighting offerings focus on the premium segment and include lighting, fittings, fixtures, accessories and components. We provide lighting solutions (lights, drivers and controls) to commercial refrigeration equipment suppliers under our refrigeration light segment. We also manufacture an alternative to polyvinyl chloride (“PVC”) piping called ABS piping that is primarily used by our US customers for plumbing applications in the recreational vehicles (“RVs”) that they fit out. In addition, we manufacture and assemble other products including fan regulators that are designed by our clients; light strips, moulding, and other components and spares. Our equipment and systems are used in various industries and products, including residential, industrial and commercial lighting.

Our largest customer is Signify Innovations India Limited, erstwhile Philips Electronics India Limited (“Signify (Philips)”), which according to Frost & Sullivan in Fiscal 2022 had a 50% market share in India’s functional decorative lighting category (including LED spotlights, LED downlights and cove lights) and a 10% market share in India’s true-blue decorative lighting segment (including chandeliers, wall lights, pendants, outdoor lights). (Source: F&S Report, March 2023). One of our Promoters, Hardeep Singh, has a 10 year long relationship with Signify (Philips). In addition to Signify (Philips), we have a diversified customer base across all our other product segments across industry sectors and geographies which include Western Refrigeration Private Limited, Panasonic Life Solutions India Private Limited and Novateur Electrical & Digital Systems Private Limited. We have a history of high customer retention. In Fiscal 2022, we derived approximately 93.56% of our consolidated restated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and Fiscal 2022, we derived 73.63% and 78.81% of our proforma consolidated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and in Fiscal 2022, our consolidated restated revenue from operations from our top ten customers were ₹2,068.87

million and ₹2,172.63 million, respectively, which represented 85.94% and 98.80%, respectively, of our consolidated restated revenues from operations. In December 31, 2022 and in Fiscal 2022, our proforma consolidated revenue from operations from our top ten customers was ₹2,575.41 million and ₹2,659.18 million, respectively, which represented 78.37% and 80.13%, respectively, of our proforma consolidated revenues from operations. We enjoyed relationships of over three years with seven out of these top ten customers. In addition, we are building an international customer base, primarily in the United States.

Our R&D department focuses on product designing, tools and mould designing, electronic circuit designing and prototype designing. Our R&D department independently develops ODM designs and verifies and develops OEM designs received from customers and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. As of February 28, 2023, our R&D team consists of 27 members, 14 of whom hold Bachelors of Technology (Electronics & Communication and Mechanical) and the remaining 13 have a diploma in electronics / electricals and graduate degree. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our R&D expenses on a consolidated restated basis were ₹12.25 million, ₹8.38 million, ₹6.13 million, and ₹9.00 million, respectively, which formed 0.51%, 0.38%, 0.38% and 0.64%, respectively, of our consolidated restated revenue from operations. Further, in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, on a proforma consolidated basis, our R&D expenses were ₹15.42 million, ₹13.05 million, ₹10.15 million, and ₹12.11 million, respectively, which formed 0.47%, 0.39%, 0.48% and 0.55%, respectively, of our revenue from operations on a proforma consolidated basis.

Our manufacturing operations are a key driver of our business. We have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three in Noida in the National Capital Region. In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors). For our installed capacity and capacity utilization, see “*Manufacturing – Capacity, Production and Capacity Utilization*” on page 202.

Further, in our manufacturing operations, we aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact. We maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks. We have wastewater and effluent treatment plants in place. Our facilities are ISO 9001:2015 (quality management system), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety) certified.

## Financial Information and Key Performance Indicators (KPIs)

Set forth below is certain financial information and certain KPIs of our business.

*All figures in ₹million, except otherwise mentioned*

Particulars	Proforma Consolidated Financial Information				Restated Consolidated Financial Information			
	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020	Nine months ended December 31, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020
Revenue from operations	3,286.27	3,318.40	2,134.46	2,202.47	2,407.21	2,198.95	1,596.63	1,406.48
Total Income	3,327.92	3,339.95	2,145.72	2,218.28	2,431.78	2,207.19	1,600.39	1,407.32
EBITDA (1)	734.05	773.14	478.09	373.07	498.43	401.50	302.82	263.37
EBITDA margin (2)	22.34%	23.30%	22.40%	16.94%	20.71%	18.26%	18.97%	18.73%
Profit/(loss) after tax	<b>513.47</b>	505.16	288.06	214.07	<b>345.82</b>	280.10	205.80	159.93
PAT margin (3)	15.43%	15.12%	13.42%	9.65%	14.22%	12.69%	12.86%	11.36%
Capital expenditure (4)	206.15	124.60	132.51	351.84	99.13	42.46	33.17	39.69
ROCE (5)	<b>25.62%</b>	33.07%	31.13%	37.61%	<b>18.10%</b>	41.63%	52.98%	68.44%
ROE (6)	36.45%	46.40%	45.83%	59.63%	27.31%	36.64%	42.59%	57.84%
Net debt/EBITDA ratio (7)	1.94	1.47	1.58	1.30	2.86	0.39	0.16	0.04

(1) EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income

- (2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- (3) PAT Margin is calculated as profit after tax divided by Total Income.
- (4) Includes right of use assets
- (5) ROCE is calculated as earnings before interest and tax divided by Capital Employed. Capital Employed is calculated as sum of tangible net worth and Total Debt as at the end of the fiscal year.
- (6) ROE is calculated by profit after tax divided by total equity.
- (7) Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA.

For information about non-GAAP financial measures as set forth in the table above, see *Management's Discussion and Analysis of Financial Condition and Results of Operations– Key Performance Indicators and Non-GAAP Financial Measures* on page 426.

## Competitive Strengths

We believe that we have the following competitive strengths:

### *Poised to capture growth of LED market*

With a proven operational and financial track record, we are well-positioned to capitalize on opportunities provided by the tailwinds in the LED lighting market driven in part by governmental policies for energy saving and environment protection and importantly, the increasing awareness and adoption of LED lighting versus incandescent lighting. Further, LED lighting is central to reducing environmental impacts in both the residential, commercial and industrial sectors.

According to Frost & Sullivan growth in demand for LED lighting solutions in India will be driven by:

- the rise in smart city projects and overall infrastructure development;
- increasing demand for energy-efficient lighting;
- the decreasing total cost of ownership of advanced lights (including LED lights);
- the pronounced increase in real estate; and
- the increasing use of smart and automation lighting. (Source: F&S Report, March 2023).

Our comprehensive LED lighting offering allows us to offer our customers attractive manufacturing solutions for their products as well as our own product designs as part of our ODM business model. Our number of LED lighting products manufactured has grown by 41.82% from 660 in Fiscal 2020 to 936 in Fiscal 2022, and we are continuously expanding our portfolio. We manufactured 1,189 LED lighting products in the nine months ended December 31, 2022. As on December 31, 2022, March 31, 2022 and March 31, 2021 and March 31, 2020, we had total annual installed capacity of LED Lights of 20.63 million pieces, 20.31 million pieces, 17.13 million pieces and 11.10 million pieces, respectively. Our large LED manufacturing capacity along with our R&D has positioned us to meet the further demand for LED lighting in India. (Source: F&S Report, March 2023). It is our intention to continue to be an integral part of India's journey toward achieving sustainability across key industry segments. We are focused on business strategies to prepare our Company to take advantage of these market opportunities as more fully discussed below under "*Our Business - Our Strategies*," on page 195.

### *Diverse product basket with focus on high-margin areas*

As an ODM, we offer our products in four segments: (i) LED lighting; (ii) refrigeration lights; (iii) ABS piping; and (iv) other product. This wide range of products helps us capture a larger wallet share of our customers. Our LED lighting offering focuses on the premium segment and includes lighting, fittings, fixtures, accessories, and components. We also provide lighting solutions (lights, drivers and controls) to commercial refrigeration equipment suppliers under our refrigeration lights segment. In addition, we manufacture ABS piping which is an alternative to PVC that is primarily used by our US customers for plumbing applications in the RVs that they fit out.

We currently manufacture more than 753 SKUs for our largest customer, Signify (Philips) in India. In addition, we are in negotiations with some of our existing customers to supply our LED home lighting products to their international supply chain. We also manufacture interior refrigerator lighting solutions (lights, drivers and controllers) which are sold to commercial refrigeration equipment suppliers such as Western Refrigeration.

Our diverse product offering allows us to cater to the increasing requirements of our customers, and, more importantly, we are able to supply a larger portion of the products needed by our customers in their project engagements. For instance, our customers, Rlux RV LLC and Znergy Inc, supply components to Forest River RV which is a division of Forest River, Inc., a Berkshire Hathaway company, that produces RVs, pontoons, park models, buses, cargo trailers and commercial trucks. With our wide array of offerings, we are able to supply these customers with a number of products such as ABS piping,

LED interior and exterior lights, switches, change controllers and solar energy solutions.

Set forth in the tables below is a breakdown of our revenue from operations on a consolidated restated basis, broken down by product category and as a percentage of revenue from operations for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Category	Consolidated restated					
	Fiscal Year Ended March 31,					
	2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,014.02	91.59	1,504.83	94.25	1,348.16	95.85
ABS Pipes	19.86	0.90	-	0.00	-	0.00
Others	165.07	7.51	91.80	5.75	58.32	4.15
<b>Total revenue from operations</b>	<b>2,198.95</b>	<b>100.00</b>	<b>1,596.63</b>	<b>100.00</b>	<b>1,406.48</b>	<b>100.00</b>

Category	Consolidated restated	
	Nine months ended December 31,	
	2022	
	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,197.09	91.27%
ABS Pipes	0.00	0.00%
Refrigerator Lights	47.28	1.96%
Others	162.83	6.76%
<b>Total revenue from operations</b>	<b>2,407.21</b>	<b>100.00</b>

Set forth in the tables below is a breakdown of our revenue from operations on a proforma consolidated basis, broken down by product category and as a percentage of revenue from operations on a proforma consolidated basis for the nine months ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Category	Proforma Consolidated					
	Fiscal Year Ended March 31,					
	2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,879.76	86.78	1,862.50	87.26	1,876.82	85.21
ABS Pipes	50.88	1.53	-	-	-	-
Refrigerator Lights	133.48	4.02	82.56	3.87	134.33	6.10
Others	254.28	7.66	189.40	8.87	191.32	8.69
<b>Total revenue from operations</b>	<b>3,318.40</b>	<b>100.00</b>	<b>2,134.46</b>	<b>100.00</b>	<b>2,202.47</b>	<b>100.00</b>

Particulars	Proforma Consolidated Nine months ended December 31, 2022	
	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,827.82	86.05%
ABS Pipes	99.04	3.01%
Refrigerator Lights	107.03	3.26%
Others	252.37	7.68%
<b>Total revenue from operations</b>	<b>3,286.27</b>	<b>100.00%</b>

### ***Long-term relationships with leading industry customers***

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, we provided our products to approximately 900 domestic customers and 16 international customers. Our largest customer is Signify (Philips), which according to Frost & Sullivan in Fiscal 2022 had a 50% market share in India's functional decorative lighting category (including LED spotlights, LED downlights and cove lights) and a 10% market share in India's true-blue decorative lighting segment (including chandeliers, wall lights, pendants, outdoor lights). (Source: F&S Report, March 2023). One of our Promoters, Hardeep Singh, has a 10 year long relationship with Signify (Philips). We have been increasing the number of SKUs that we manufacture for Signify (Philips) from 225 in Fiscal 2018 to 412 in Fiscal 2020 to 608 in Fiscal 2022 to 753 in the nine months ended December 31, 2022. Our consolidated restated revenue from Signify (Philips) has increased from ₹1,345.08 million in Fiscal 2020 to ₹2,006.03 million in Fiscal 2022. Our consolidated restated revenue from Signify (Philips) was ₹1,686.03 million in the nine months ended December 31, 2022. Our proforma consolidated revenue from Signify (Philips) has increased from ₹1,345.08 million in Fiscal 2020 to ₹2,006.03 million in Fiscal 2022. Our proforma consolidated revenue from Signify (Philips) was ₹1,686.03 million in the nine months ended December 31, 2022.

In addition to Signify (Philips), we have a diversified customer base across all our other product segments across industry sectors and geographies which includes Western Refrigeration Private Limited Panasonic Life Solutions India Private Limited and Novateur Electrical & Digital Systems Private Limited.

We have a history of high customer retention. In the nine months ended December 31, 2022 and in Fiscal 2022, we derived approximately 85.49% and 93.56%, respectively, of our consolidated restated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and in Fiscal 2022, we derived 73.63% and 78.81% of our proforma consolidated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and in Fiscal 2022, our consolidated restated revenue from operations from our top ten customers were ₹2068.87 million and ₹2,172.63 million, respectively, which represented 85.94% and 98.80%, respectively, of our consolidated restated revenues from operations. In December 31, 2022 and in Fiscal 2022, our proforma consolidated revenue from operations from our top ten customers was ₹2,575.41 million and ₹2,659.28 million, respectively, which represented 78.37% and 80.13%, respectively, of our proforma consolidated revenues from operations. We enjoyed relationships of over three years with seven out of these top ten customers. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditures and enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships have also helped us expand our product offerings.

In addition, we are building an international customer base, primarily in the United States. During the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020, our sales from exports on a proforma consolidated basis were ₹493.10 million, ₹351.97 million, ₹86.95 million, and ₹90.64 million, respectively, which constituted 15.00%, 10.61%, 4.07% and 4.12%, respectively, of our revenue from operations on a proforma consolidated basis. (We had no exports on a consolidated restated basis in those periods.) In addition, we are in negotiations with some of our existing customers to supply our LED home lighting products to their international supply chain.

### ***Strong focus on R&D***

Our R&D department focuses on product designing, tools and mould designing, electronic circuit designing and prototype designing. Our R&D department independently develops ODM designs and verifies and develops OEM designs received from customers and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions through automation to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers by providing design and engineering support. We focus on activities to support our customers including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. As of February 28, 2023, our R&D team consists of 27 members, 14 of whom hold Bachelors of Technology (Electronics & Communication and Mechanical) and the remaining 13 have a diploma in electronics /electricals and graduate degree.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our R&D expenses on a consolidated restated basis were ₹12.25 million, ₹8.38 million, ₹6.13 million, and ₹9.00 million, respectively, which formed 0.50%, 0.38%, 0.38% and 0.64%, respectively, of our consolidated restated revenue from operations. Further, in



the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, on a proforma consolidated basis, our R&D expenses were ₹15.42 million, ₹13.05 million, ₹10.15 million, and ₹12.11 million, respectively, which formed 0.47%, 0.39%, 0.48% and 0.55%, respectively, of our revenue from operations on a proforma consolidated basis.

In response to the global semiconductor shortage in Fiscal 2021 and Fiscal 2022, our R&D team designed re-engineered solutions to adapt available raw materials and components for use in certain products in order to ensure an uninterrupted supply of products to customers. We were generally able to pass the higher costs of these solutions to our customers.

#### ***Established infrastructure with backward integration***

We have developed the proficiency to produce many of the components used in our manufacturing processes with our in-house tool room capabilities that have modern machines, moulds and tools. Except for the diodes and resistors used in our LED lighting products, all mechanical components are manufactured by us.

Our manufacturing infrastructure is a key driver of our business. We have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three in Noida in the National Capital Region.

A description of our manufacturing facilities is set forth below.

Location/Description	Commissioning Date	Covered Area (square feet)	Headcount as of February 28, 2023	Product Lines	Capacity (1) Pieces in Million	Capacity Utilisation (1)
IKIO facility at SIDCUL Haridwar, Uttarakhand, India.	Fiscal 2016	42,517	749	LED Lights	18.00	54.33%
				Regulator & Switches	2.25	81.50%
FITP facility at Electronic City, Noida (Delhi/NCR)	Fiscal 1999	80,000	411	Regulator & Switches	19.50	76.44%
RLPL facility at Noida Delhi/NCR	Fiscal 2015	1,12,077	258	Refrigerator LED lighting and drivers	2.50	59.29%
REPL facility at Noida Special Economic Zone (NSEZ) Noida, Delhi/NCR	Fiscal 2019	57,171	71	LED light products and ABS pipes RVs	0.13	70.57%

(1) Capacity and capacity utilisation for the nine months ended December 31, 2022 as certified by Sapient Services Private Limited, Chartered Engineer and is based on the final assembly capacity and utilisation thereof. For more details on our installed capacity and capacity utilization, see “*Manufacturing – Capacity, Production and Capacity Utilization*” on page 202.

Our manufacturing facilities are equipped with machinery and equipment like assembly lines, automatic surface-mounted machines, automatic metal cutting and shaping machines and automatic powder coating for fixtures.

In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors).

Our backward integration includes

- Automatic surface mounted machines for placing diodes and other components on circuit boards;
- Automatic metal cutting and shaping machines;
- Automatic powder coating on fixtures;
- Injection moulding including machines, moulds and tools; and
- LED light assembly lines, manual insertion, checking and final packing.

Further, in our manufacturing operations, we aim to adopt the best available environment, health and safety practices and to engage with our suppliers to promote new approaches to reduce our environmental impact. We maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks. We have wastewater,

effluent treatment plants in place. Our facilities are ISO 9001:2015 (quality management system), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety) certified.

### ***Strong and consistent financial performance***

Our presence in product segments with growing demand, a top-tier global customer base in their respective industries and a continuous focus on efficiency and productivity have enabled us to deliver consistent and strong financial performance.

We have built our business organically and have demonstrated consistent growth in terms of revenues and profitability. Our consolidated restated revenue from operations have increased at a CAGR of 25.04% from ₹1,406.48 million in Fiscal 2020 to ₹2,198.95 million in Fiscal 2022. Our consolidated restated revenue from operations was ₹2,407.21 million in the nine months ended December 31, 2022.

Our proforma consolidated revenue from operations have increased at a CAGR of 22.75% from ₹2,202.47 million in Fiscal 2020 to ₹3,318.40 million in Fiscal 2022. Our proforma consolidated revenue from operations was ₹3,286.27 million in the nine months ended December 31, 2022.

Our EBITDA on a consolidated restated basis has increased at a CAGR of 23.47% from ₹263.37 million in Fiscal 2020 to ₹401.50 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our EBITDA on a consolidated restated basis was ₹401.50 million, ₹302.82 million and ₹263.37 million, respectively, while our EBITDA margins on a consolidated restated basis in the same periods were 18.26%, 18.97% and 18.73%, respectively. Our consolidated restated profit after tax has increased at a CAGR of 32.34% from ₹159.93 million in Fiscal 2020 to ₹280.10 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our profit after tax (PAT) margins on a consolidated restated basis was 12.69%, 12.86% and 11.36%, respectively.

In the nine months ended December 31, 2022, on a consolidated restated basis, our EBITDA was ₹498.43 million, our EBITDA margins were 20.71%, profit after tax was ₹345.82 million and our profit after tax (PAT) margins were 14.22%.

Our EBITDA on a proforma consolidated basis has increased at a CAGR of 43.96% from ₹373.07 million in Fiscal 2020 to ₹773.14 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our EBITDA on a proforma consolidated basis was ₹773.14 million, ₹478.09 million and ₹373.07 million, respectively, while our EBITDA margins on a proforma consolidated basis in the same periods were 23.30%, 22.40% and 16.94%, respectively. Our proforma consolidated profit after tax has increased at a CAGR of 53.62% from ₹214.07 million in Fiscal 2020 to ₹505.16 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our profit after tax (PAT) margins on a proforma consolidated basis were 15.12%, 13.42% and 9.65%, respectively.

In the nine months ended December 31, 2022, on a proforma consolidated basis, our EBITDA was ₹734.05 million, our EBITDA margins were 22.34%, profit after tax was ₹513.47 million and our profit after tax (PAT) margins were 15.43%.

Our balance sheet has also shown continued improvement and we have maintained fiscal prudence in our choice of capital for expansion. We have a “BBB-” (with positive outlook) long term debt credit rating from CRISIL Ratings (S&P Global).

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our ROCE on a consolidated restated basis was 41.63%, 52.98% and 68.44%, respectively; our ROE on a consolidated restated basis was 36.64%, 42.59% and 57.84%, respectively; and our net debt/EBITDA ratio on a consolidated restated basis was 0.39, 0.16 and 0.04, respectively.

In the nine months ended December 31, 2022, on a consolidated restated basis, our ROCE was 18.10%, our ROE was 27.31% and our net debt/EBITDA ratio was 2.86.

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our ROCE on a proforma consolidated basis was 33.07%, 31.13% and 37.61%, respectively; our ROE on a proforma consolidated basis was 46.40%, 45.83% and 59.63%, respectively; and our net debt/EBITDA ratio on a proforma consolidated basis was 1.47, 1.58 and 1.30, respectively.

In the nine months ended December 31, 2022, on a proforma consolidated basis, our ROCE was 25.62%, our ROE was 36.46% and our net debt/EBITDA ratio was 1.94.

### ***Experienced Promoters and Management Team***

We are led by a qualified and experienced management team that has the expertise and vision to manage and grow our business and promote our sustainability goals. Our Promoter, Hardeep Singh, is our Managing Director and Chairperson

and has been involved in the business since starting a proprietorship firm in 2012. Hardeep Singh has overall experience of more than two decades in manufacturing of television kits, electronic components and LED lighting. He has been honoured by Philips with "Game Changer" Award for LED Lighting Production. Hardeep Singh has been instrumental in establishing our LED lighting business with Signify (Philips) and expanding our business to a diversified customer base. Hardeep Singh is supported by members of our management team, our R&D team and our board of directors, which comprises a mix of homegrown talent and lateral talent from multinational companies and firms, possess complementary skills and have extensive experience and knowledge of our business.

We run our business professionally with dedicated senior and mid-level management teams. Further, we have 1,484 employees which adds to our stability and helps foster long-term growth. Our management team support has vast experience in project execution, industrial sales and marketing. We believe that the knowledge and experience of our Hardeep Singh, along with our management, and our team of dedicated personnel, provide us with a significant competitive advantage as we seek to grow our existing markets and enter new geographic and product markets.

## **Our Strategies**

The global electronics industry as a whole is growing rapidly and is central to long-term success of electronic manufacturers around the world. According to the F&S Report, the industry is expected to grow by a CAGR of 4.9% from CY 2021 to reach a projected market size of \$3,168 billion by CY2026. *(Source: F&S Report, March 2023)*. Also, according to the F&S Report, the Indian electronics market is expected to grow by a CAGR of 17.9% from an estimated market size of ₹9,263 billion in Fiscal 2022 to ₹17,902 billion in Fiscal 2026. *(Source: F&S Report, March 2023)*. The following key business strategies follow directly from the anticipated growth in our industry.

### ***Expand into new product lines***

Over the years, our Promoter, Hardeep Singh and our Company have established relationships with our customers. Based on market intelligence, discussions with our customers and research by our R&D team, we are able to produce new products that have been well-accepted in our target markets. We propose to utilise the Net Proceeds towards the expansion and growth of our current manufacturing facilities, as well as through the construction of our new manufacturing facility by our subsidiary, ISPL. This expanded capacity will help us expand the output of our current portfolio of products, and more importantly, help us to break into new markets with additional product offerings.

In the past 12-24 months, we have designed, developed and commenced commercial production and sale of:

- i) ***ABS pipes:*** Our R&D team developed our ABS pipe offerings that comply with the requirements of the U.S. Occupational Safety and Hazard Administration (OSHA), a key requirement for their use in the United States.
- ii) ***Solar energy solutions:*** We are working on a solar energy solution for one of our customers and currently offer solar panels, that can be retrofitted to commercial and recreational trailers to provide electricity.
- iii) ***Accessories:*** In order to our customers to source more of their requirements from us rather than multiple vendors, we are increasing our offering of accessories that can be used in a variety of situations. For instance, we are in the process of launching dog latches, switches and other small accessories for our US based customers that fit out RVs.
- iv) ***Other products:*** We are in the process of developing, and in some cases in the process of launching, small rechargeable appliances such as rechargeable fans, rechargeable LED lamps as well as rechargeable lithium ion batteries for use in consumer durables.

### ***Expand our manufacturing capacities for our existing and new product lines***

LED is lighting is considered an important and growing part of India's sustainability initiatives. *(Source: F&S Report, March 2023)*. LED lighting solutions are an immediately accessible option for companies and individuals looking to decrease their environmental footprint. According to Frost & Sullivan, the Indian LED lighting market is expected to grow by a CAGR of 12.2% from an estimated market size of ₹217,020 million in Fiscal 2022 to a projected market size of ₹338,000 million from Fiscal 2023 to Fiscal 2026. *(Source: F&S Report, March 2023)*.

To capture this projected market growth, we are looking to expand our capacity for LED home lighting. Accordingly, we have acquired a parcel of land located in Noida, where we intend to construct a new manufacturing facility of approximately

500,000 square feet. The estimated total project cost for this new manufacturing facility is ₹2,628.75 million, which is expected to be funded out of the Net Proceeds. See “*Objects of the Offer*” on page 101.

#### ***Diversify our customer base and expand across geographies***

We plan to continue expand our ODM business to new international markets. We intend to focus our expansion on North American markets and gradually expand to the European and South East Asian markets. In our opinion, these markets offer us the ability to market our premium LED offerings. We intend to achieve this expansion by employing dedicated sales and marketing teams whose primary focus will be on business development in international markets, particularly, in our focus geographies. We will also look for new partners in our focus markets to establish a local presence, and, in certain markets, we may establish subsidiaries or local offices. Further, we will also leverage our relationships with marquee customers like Signify (Phillips), Honeywell, Frigoglass and Western Refrigeration to showcase the quality of our product offerings and our ability to provide our services globally.

We believe that our current operational set up and financial position will allow us to invest in creating a wider range of product offerings that can cater to the requirements of our new customers.

#### ***Continue to invest in R&D and expand our ODM business***

We aim to continue to invest in our R&D initiatives to develop new products for our ODM customers and to enhance production and cost efficiencies of our customer’s product suites. In addition, we intend to expand our space for our R&D expansion, and we are actively looking to add employees to our R&D team. Through our focus on R&D and developing products with our customers, we will be able to continually innovate our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. Further, by developing products with our customers and by offering a broad range of products, we are able to increase customer dependence on us and position ourselves as a preferred supplier.

#### ***Continue focus on sustainability through ESG investments***

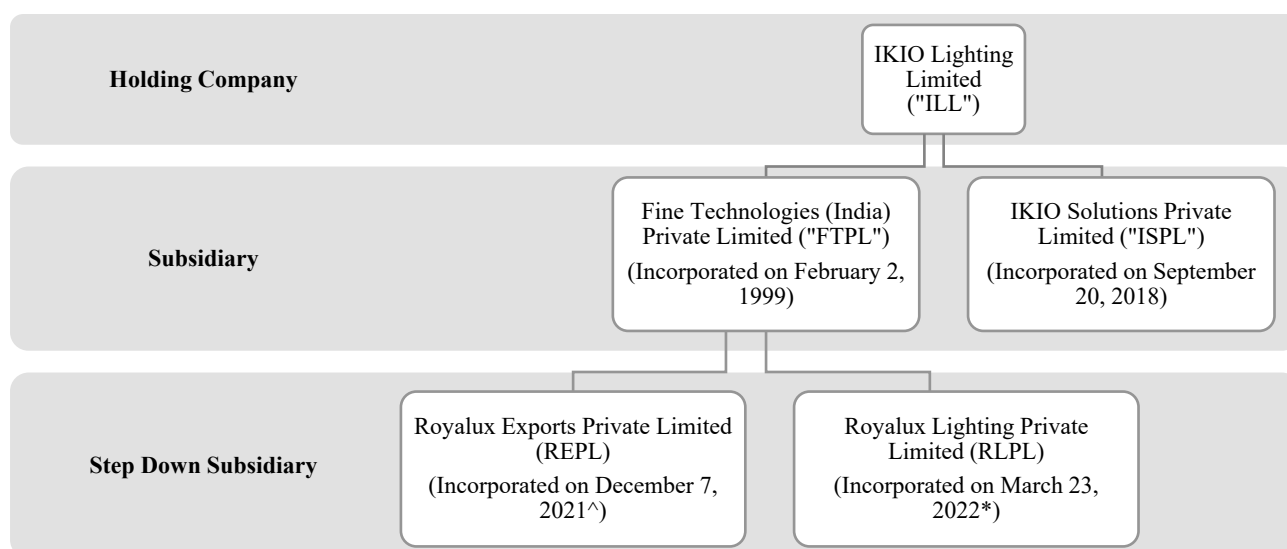
We will continue to focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Across our four manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing and supply chain to product delivery to ensure consistent quality, efficacy and safety of our products. Our products adhere to global quality standards. Our products and operations go through various quality checks at various stages, including random sampling and quality checks. Many of our accreditation agencies have audited and approved our facility and manufacturing processes in the past and may undertake similar audits periodically in the future.

We consider the potential impact of our activities on the local environment and have set stringent environmental standards, which meet regulatory requirements. In that regard, we will continue to emphasize the monitoring of our effluent treatment plant and sewage treatment plant operations, handling of hazardous waste and disposal, and providing employee training on environmental management and compliance. We have a growing commitment to environmental management systems, environmental due diligence and building disaster planning and response systems across our manufacturing facilities.

#### **Corporate Structure**

We operate through our Company and our subsidiaries and step-down subsidiaries. A brief organisation structure is provided below:

- **Step Down Subsidiary**



<sup>^</sup> REPL incorporated to take over existing business of Royalux Exports

\* RLPL was originally incorporated as “Royalux Lighting LLP” under the Limited Liability Partnership Act, 2008 pursuant to a certificate of incorporation dated September 9, 2014 issued by the RoC. Royalux Lighting LLP was converted into a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 23, 2022 issued by the RoC and its name changed to Royalux Lighting Private Limited.

Our Company, on September 10, 2022 through a share purchase agreement amongst ISPL, Hardeep Singh, Ishween Kaur (collectively “**ISPL’s Shareholders**”) and our Company, and a share purchase agreement amongst FTPL, Hardeep Singh, Surmeet Kaur (collectively, FTPL’s Shareholders) and our Company dated September 10, 2022; became the holding company of FTPL and ISPL.

For further details, please refer to the section titled “*Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years*” appearing in the chapter titled “*History and Certain Corporate Matters*” on page 217 of this RHP.

## Our Products

Our products are categorised as (i) LED lighting; (ii) refrigeration lights; (iii) ABS (acrylonitrile butadiene styrene) piping; and (iv) other products. Our LED lighting offerings focus on the premium segment and includes lighting, fittings, fixtures, accessories and components. We provide lighting solutions (lights, drivers and controls) to commercial refrigeration equipment suppliers under our refrigeration light segment. We also manufacture an alternative PVC piping called ABS piping that is primarily used by our US customers for plumbing applications in the RVs that they fit out. In addition, we manufacture and assemble other products including fan regulators that are designed by our clients; light strips, moulding, and other components and spares. Our equipment and systems are used in various industries and products, including residential, industrial and commercial lighting.

We manufacture and supply products under ODM business models. In ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers’ prospective customers under their brands. We have developed ODM capabilities with respect to LED products and others.

The table set forth below provides the split of our revenue from operations on a consolidated proforma basis and on a consolidated restated basis in ODM businesses and others in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Revenue attributable to Assembly & Others compared to ODM			Amount (₹ million)	Percentage
Proforma Consolidated	Fiscal 2020	Assembly & Others	191.32	8.69%
		ODM	2,011.15	91.31%
Proforma Consolidated	Fiscal 2021	Assembly & Others	189.39	8.87%
		ODM	1,945.05	91.13%
Proforma	Fiscal 2022	Assembly & Others	254.28	7.66%

Revenue attributable to Assembly & Others compared to ODM			Amount (₹ million)	Percentage
Consolidated		ODM	3,064.12	92.34%
Proforma Consolidated	Nine months ended December 31, 2022	Assembly & Others	233.92	7.12%
		ODM	3052.34	92.88%
Restated Consolidated	Fiscal 2020	Assembly & Others	58.33	4.15%
		ODM	1,348.15	95.85%
Restated Consolidated	Fiscal 2021	Assembly & Others	91.8	5.75%
		ODM	1,504.83	94.25%
Restated Consolidated	Fiscal 2022	Assembly & Others	2077.36	94.47%
		ODM	121.59	5.53%
Restated Consolidated	Nine months ended December 31, 2022	Assembly & Others	2248.09	93.39%
		ODM	159.12	6.61%

Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with consumer electronics brands in India and internationally.

### LED lighting

We commenced our LED lighting business in Fiscal 2012. We produce LED lights, fittings, fixtures, accessories, LED strip lights, individual LED rechargeable bulbs and RV lights for customers in this segment as an ODM. Our key customers in this product category are Signify (Philips), Rlux RV LLC and Zenergy Inc. Our products are innovated, developed, and manufactured ingeniously to compete with international markets on quality, delivery and pricing.

The following table sets forth certain information relating to our key LED lighting products.


Product	Application	Year of Launch	Picture
Rechargeable Bulbs	Home/Office Lighting	2019	
Spotlights	Focus Lighting	2012 (1)	
LED Strip Lights	Strip Lighting	2018	
Decorative Lights	Decorative Lighting	2014 (1)	
Rechargeable Lantern	Indoor / Outdoor Lighting	2013 (1)	
LED Driver	LED Function	2012 (1)	N/A
Downlighter Lights	Home/office Lighting	2012 (1)	
Linear Lights	Gallery/Interior Lighting	2017	
Track Lights	Gallery/Interior Lighting	2019	
RV Lights	Recreational Vehicles	2019	

(1) Product launched by our Promoter through Inko Technologies or through a subsidiary.

### ***ABS piping***

We commenced our ABS piping business in Fiscal 2022. ABS piping is an alternative to PVC piping, which consists of pipes made of a thermoplastic resin that have traditionally been used as drainpipes and water supply line due to their shock resistance and strength, as well as their resistance to temperature fluctuations and decay. We produce ABS piping for customers in this segment as an ODM. Our key customers in ABS Piping are RLux RV LLC and Znergy Inc., who supply to Forest River Inc. (a subsidiary of Berkshire Hathaway).


The following table sets forth certain information relating to our ABS piping products.

Product	Application	Year of Launch	Picture
ABS Piping	Recreational Vehicles	2022	

### ***Refrigerator LED lighting***

We commenced our refrigerator LED lighting business in Fiscal 2016. We produce refrigerator LED lighting for customers in this segment as an ODM. Our key customers in refrigerator LED lighting are Voltas Limited, Frigoglass India Private Limited and Western refrigeration Private Limited.


The following table sets forth certain information relating to our key refrigerator LED lighting products.

Product	Application	Year of Launch	Picture
Refrigerator Lights	Interior Refrigerator Lightings	2016	

### ***Other Products***

We offer a suite of other products separately as well as in conjunction from our LED, refrigeration and ABS piping products such as our fan regulator and switch products. One of our Promoters, Hardeep Singh, commenced our fan regulator switches business in Fiscal 1999. We produce fan regulators and switches for customers in this segment under ODM and assembly business models. Our key customers in this product category are Honeywell, Anchor Panasonic, Le-grand and Signify (Philips). Additionally, we manufacture and assemble light strips, mouldings and fittings, as well as other component parts that are utilized among our other product offerings.

The following table sets forth certain information relating to some of our key products in this product category.

Product	Application	Year of Launch	Picture
Fan Regulators and Switches	Consumer Fans	1999	
LED Spare Parts & Others	Maintenance	N/A	N/A

### ***Our Customers***

We provide our products to an array of industrial customers who experience varied needs. Some of our key customers are Signify (Philips), Western Refrigeration Private Limited, Panasonic Life Solutions India Private Limited and Novateur Electrical & Digital Systems Private Limited.

We usually do not enter into long-term supply contracts with any of our customers and typically rely on periodic purchase orders. Prices are negotiated with customers for each purchase order. The terms and conditions including the return policy are set forth in the purchase orders and master agreements. Customer orders usually specify shipping arrangements and packing material and are subject to, among other things, regulatory requirements, various import duties and other government clearances in the case of exports.

### **International customers and exports**

The export market for electronics products is expected to grow substantially in the coming years. According to the F&S Report, this market is expected to grow by a CAGR of 50.1% in the next five years, owing to various government initiatives such as PLI scheme, Atmanirbhar Bharat which facilitates the domestic manufacturing. (Source: F&S Report, March 2023). In the nine months ended December 31, 2022 and in Fiscal 2022, we exported our products to the United States through our subsidiary, REPL.

Some of our key international customers include Everlast Lighting Inc and Znergy Inc. The table set forth below provides geographic split of our revenue from operations on a proforma consolidated basis during the nine months ended December 31, 2022 and during Fiscal 2022, Fiscal 2021 and Fiscal 2020. (We had no exports on a consolidated restated basis in those periods.)

Geography	Proforma Consolidated							
	Nine months ended December 31,		Fiscal Year Ended March 31,					
	2022		2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
India (domestic sales)	2,793.17	85.00	2,966.43	89.39	2,047.51	95.93	2,111.83	95.88
International	493.10	15.00	351.97	10.61	86.95	4.07	90.64	4.12
<b>Total</b>	<b>3,286.27</b>	<b>100.00</b>	<b>3,318.40</b>	<b>100.00</b>	<b>2,134.46</b>	<b>100.00</b>	<b>2,202.47</b>	<b>100.00</b>

### **Sales and Marketing**

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery. As of February 28, 2023, our customer support, sales and marketing team had 25 employees who were involved in sales, pre-sales and marketing activities.

### **Research & Development**

Our R&D department focuses on product designing, tools and mould designing, electronic circuit designing and prototype designing. Our R&D department independently develops ODM designs and verifies and develops OEM designs received from customers and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions through automation to improve manufacturing efficiency on the existing products, reduce production costs and assists our customers by providing design and engineering support. We focus on activities to support our customers including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. As of February 28, 2023, our R&D team consists of 27 members, 14 of whom hold Bachelors of Technology (Electronics & Communication and Mechanical) and the remaining 13 have a diploma in electronics / electricals and graduate degree.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our R&D expenses on a consolidated restated basis were ₹12.25 million, ₹8.38 million, ₹6.13 million, and ₹9.00 million, respectively, which formed 0.51%, 0.38%, 0.38% and 0.64%, respectively, of our consolidated restated revenue from operations. Further, in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, on a proforma consolidated basis, our R&D expenses were ₹15.42 million, ₹13.05 million, ₹10.15 million, and ₹12.11 million, respectively, which formed 0.47%, 0.39%, 0.48% and 0.55%, respectively, of our revenue from operations on a proforma consolidated basis.

Our R&D department has modern equipment and tools available including:



- Cathode rays oscilloscopes;
- SURGE generators;
- HV testers;
- Gonio photometer and integrating spheres;
- Humidity chamber;
- Salt spray chambers;
- Thermal chambers;
- IP tester;
- Drop testers; and
- Vibration testers.

## **Manufacturing**

As on December 31, 2022, March 31, 2022 and March 31, 2021 and March 31, 2020 we had four manufacturing facilities, and the total annual installed capacity of LED Lights was 20.63 million pieces, 20.31 million pieces, 17.13 million pieces and 11.10 million pieces, respectively, and of fan regulators and switches was 21.75 million pieces, 21.75 million pieces, 21.75 million pieces and 20.25 million pieces, respectively.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, on a consolidated restated basis, 19.08%, 13.88%, 15.12% and 17.67%, respectively, of our components were manufactured by us and 80.92%, 86.12%, 84.88% and 82.33%, respectively, were sourced and assembled by us, in each case for use in our final products.

Our manufacturing facilities are equipped with machinery and equipment like assembly lines, automatic surface-mounted machines, automatic metal cutting and shaping machines and automatic powder coating for fixtures.

### **Ikio Lighting Limited - Manufacturing facility at SIDCUL Haridwar, Uttarakhand, India**



### **Fine Technologies (India) Private Limited - Manufacturing facility at Electronic City Noida**



## Royalux Exports Private Limited - Manufacturing facility at NSEZ Noida



### Capacity, Production and Capacity Utilization

The following tables sets forth information relating to the annual installed capacity, actual production and capacity utilization of our major products at our manufacturing facilities as of, and for the nine month period ended December 31, 2022 and December 31, 2021 and as of, and for the fiscal year ended March 31, 2022, March 31, 2021 and March 31, 2020.

Facilities and Goods	As of, and for year ended March 31,								
	2022			2021			2020		
	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization	Installed Capacity	Actual Production	Capacity Utilization
	Mn Pcs	Mn Pcs	%	Mn Pcs	Mn Pcs	%	Mn Pcs	Mn Pcs	%
<b>ILL</b>									
SMT Section*	2,869.15	1,728.00	60.23	1,770.91	806.00	45.51	1,153.15	576.00	49.95
MI Section **	18.00	8.64	48.00	11.00	5.50	50.00	7.60	5.00	65.79
Final Assembly**	18.00	9.25	51.39	15.60	7.98	51.15	9.60	6.81	70.94
Regulator & Switches **	2.25	1.69	75.23	2.25	1.18	52.53	0.75	0.44	58.76
<b>RLPL</b>									
SMT Section*	425.57	127.30	29.91	274.56	79.87	29.09	274.56	59.90	21.82
MI Section **	1.25	0.75	59.94	1.25	0.49	39.26	1.25	0.44	39.94
Final Assembly**	2.18	1.56	71.56	1.50	1.20	80.00	1.50	0.95	63.33
<b>REPL</b>									
Final Assembly**	0.13	0.07	58.40	0.03	0.01	48.00	Nil	Nil	Nil
<b>FTPL</b>									
Regulator & Switches **	19.50	14.70	75.38	19.50	17.81	91.33	19.50	19.31	99.03

\* Installed Capacity is calculated based on working shifts of 22 hours a day

\*\* Installed Capacity is calculated based on working shifts of 10 hours a day

Facilities and Goods	As of, and for nine month period ended December 31, 2022		
	Installed Capacity	Actual Production	Capacity Utilization
	Mn Pcs	Mn Pcs	%
<b>ILL</b>			
SMT Section*	2,151.86	885.66	41.16%
MI Section **	13.50	6.90	51.11%

Facilities and Goods	As of, and for nine month period ended December 31, 2022		
	Installed Capacity	Actual Production	Capacity Utilization
	Mn Pcs	Mn Pcs	%
Final Assembly**	13.50	7.33	54.33%
Regulator & Switches **	1.68	1.37	81.50%
<b>RLPL</b>			
SMT Section*	422.14	104.12	24.67%
MI Section **	1.87	0.79	42.20%
Final Assembly**	1.87	1.11	59.29%
<b>REPL</b>			
Final Assembly**	0.09	0.07	70.57%
<b>FTPL</b>			
Regulator & Switches **	14.63	11.18	76.44%

\* Installed Capacity is calculated based on working shifts of 22 hours a day

\*\* Installed Capacity is calculated based on working shifts of 10 hours a day

*Notes:* The information relating to the installed capacity of the manufacturing facilities as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity and is based on the certificate issued by Sapient Services Private Limited, dated May 17, 2023.

See “Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.”

### **Manufacturing Process**

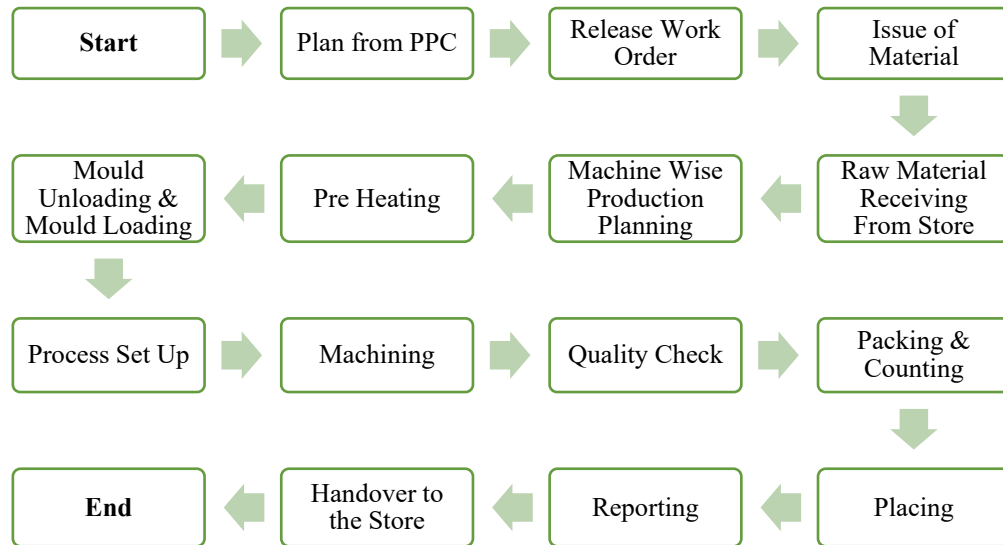
A light emitting diode (LED) packaging method includes the steps of preparing a circuit board, a transparent cap and at least one LED material, placing the transparent cap on the LED material such that the circuit board is aligned and superimposed, and forming an encapsulation layer having a light pattern on the transparent cap by an in-mould decoration injection moulding process so as to integrally form an LED with a light pattern at the same time and achieve good water-resisting and static charge resisting effects. The main processes herein are moulding, pre-treatment for mild steel and aluminium, powder coating and CNC machining.

### **Process Chart for Moulding**

Injection moulding is a manufacturing process that allows for parts to be produced in large volumes. It works by injecting molten materials into a mould. Plastic Granules molten at specified temperature, its injecting to the moulds and get it finished for the formation of required Plastic Component with the specified parameter. The process shown below is followed by our Company for moulding of plastic components used in the assembly of our products.

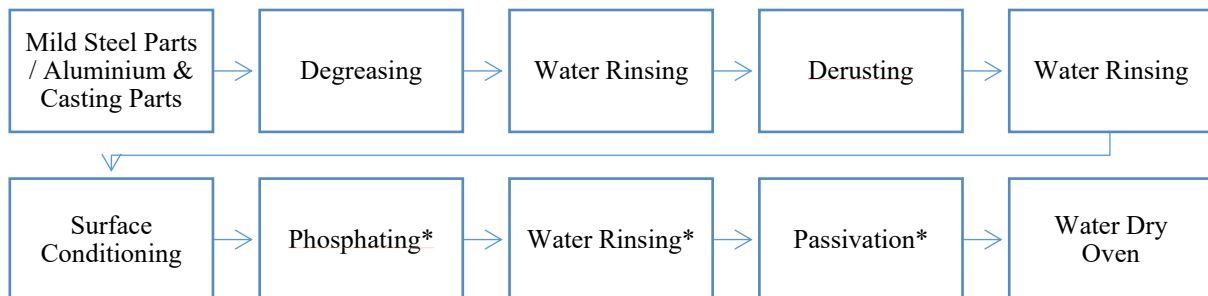
### **Process Chart for Moulding**

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#### ***Process Flow Chart for Pre Treatment Line – Mild Steel & Aluminium***

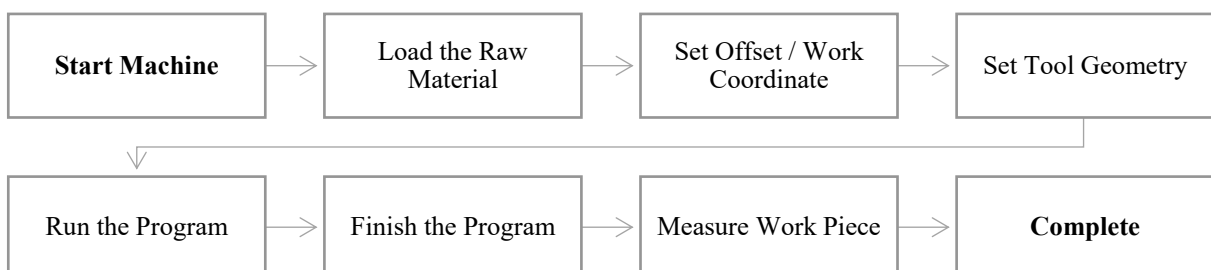
Pre-treatment for powder coating on metal parts, which includes Chemical Cleaning is done to remove surface impurities like dirt, oil & grease, the chemical may applied by dipping in the chemical tank. The process followed by the Company to pre treat its mild steel and aluminium products to ready it for powder coating is given below.



\* Processes that are done only for Mild Steel Parts

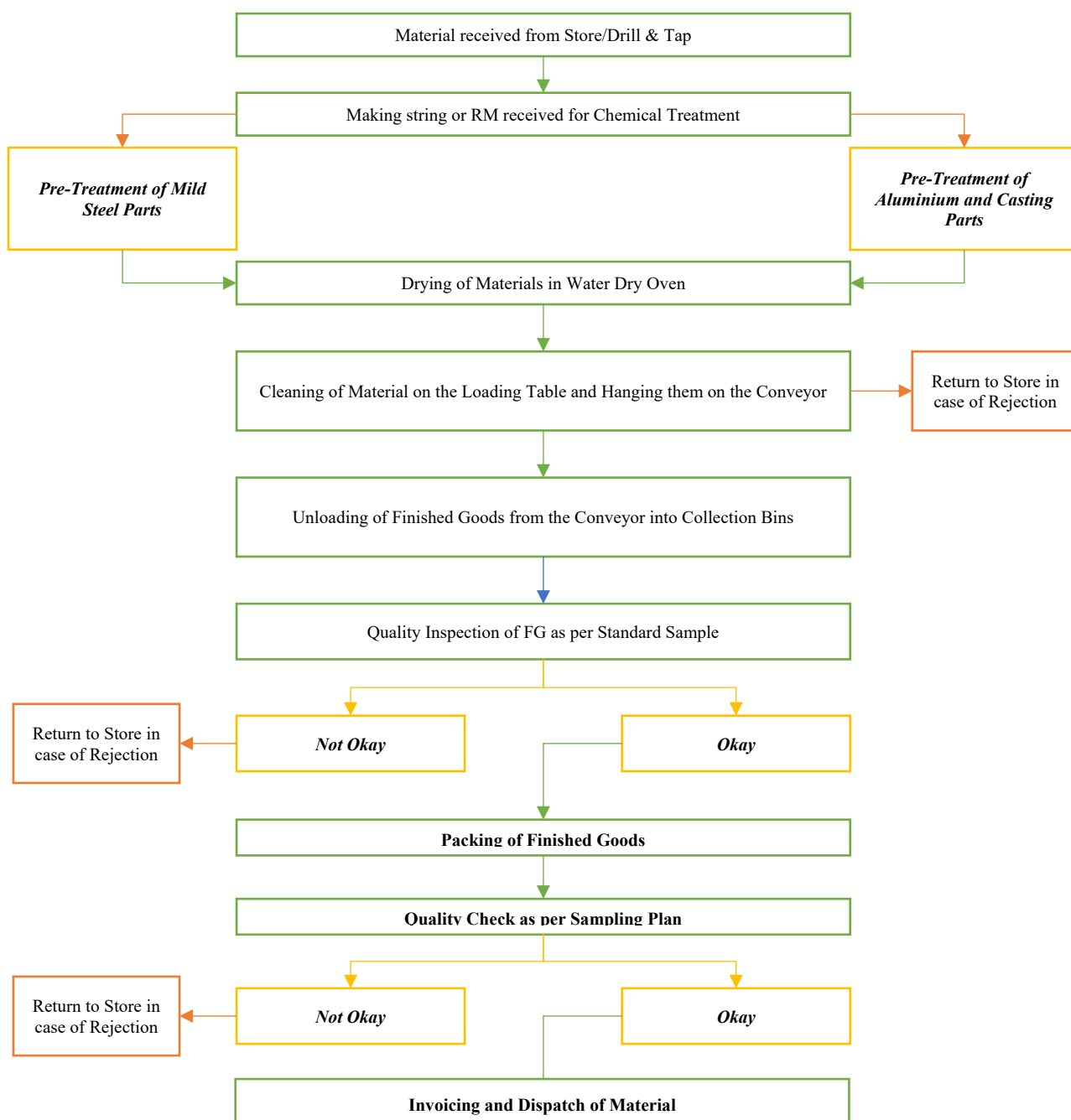
#### ***Process Chart for CNC Machining***

Computer Numerical Control (CNC) machining is a manufacturing process in which pre-programmed computer software dictates the movement of factory tools and machinery. We utilise the CNC machining process for manufacturing of metal parts since it provides more precision and repeatability especially in dealing with complex parts, than is possible with manual machine.



### Process Chart for Powder Coating

Powder coating is a dry finishing process, which created by an electric charge that caused a dry powder to fuse to the surface of the metal. It is baked in a curing oven to get smooth coating and is usually used to create a hard finish that is tougher than conventional paint. The process below describes the powder coating process followed by our Company.



### Backward Integration

In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors).

Our backward integration includes

- Automatic surface mounted machines for placing diodes and other components on circuit boards;
- Automatic metal cutting and shaping machines;

- Automatic powder coating on fixtures;
- Injection moulding including machines, moulds and tools; and
- LED light assembly lines, manual insertion, checking and final packing.

## Raw Materials

Our principal raw materials include diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium die cast and extruded aluminium, various metals, cable connectors and consumables (such as solders, solder paste and cleaning material). In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our cost of materials consumed on a consolidated restated basis was ₹1,523.50 million, ₹1,052.30 million and ₹954.01 million, respectively, which represented 69.28%, 65.91% and 67.83%, respectively, of our revenue from operations on a consolidated restated basis. In the nine months ended December 31, 2022, our cost of materials consumed on a consolidated restated basis was ₹1,586.71 million, which represented 65.91% of our revenue from operations on a consolidated restated basis. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our cost of materials consumed on a proforma consolidated basis was ₹2,096.34 million, ₹1,213.83 million and ₹1,392.39 million, respectively, which represented 63.17%, 56.87% and 63.22%, respectively, of our revenue from operations on a proforma consolidated basis. In the nine months ended December 31, 2022, our cost of materials consumed on a proforma consolidated basis was ₹2,091.53 million, which represented 63.64% of our revenue from operations on a proforma consolidated basis.

Our business is significantly dependent on our supply chain management. We have strong supply chain relationships both in India and internationally. We also source raw materials from vendors primarily in China. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our imported raw materials as a percentage of total raw materials purchased on a proforma consolidated basis represented 52.25%, 52.45% and 24.07%, respectively. In the nine months ended December 31, 2022, our imported raw materials as a percentage of total raw materials purchased on a proforma consolidated basis was 55.67%. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations- Principal Factors Affecting Our Results of Operations- Cost and availability of raw materials and other inputs*” on page 408.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under contracts of shorter periods or the open market. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability. We negotiate the price for each purchase order, and we generally have more than one supplier for each raw material. The terms and conditions including the terms related to return policy are set forth in the purchase orders. Arrangements with raw material and packing material suppliers are subject to, among other things, regulatory requirements, various import duties and other government clearances. We do not have any suppliers on an exclusive basis for any raw materials.

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and components. Volatility in commodity prices can significantly affect our raw material costs. We do not enter into hedging activities for our foreign currency positions. Any variations in raw materials pricing are generally passed on to the customer. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

We have in-house planning and inventory control teams that work alongside the manufacturing team to determine procurement requirements for manufacturing finished products, creating production plans and ensuring the availability of raw materials. These in-house planning and inventory control teams monitor inventory and finished products against various factors, including capacity. For this purpose, our information technology systems are extensively used. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices, and delivery delay.

## Inventory management and logistics

We transport our finished products by road, sea and air. Each of our manufacturing facilities is equipped with a warehouse, enabling smooth functioning of our operations. We typically keep six months of inventory of raw materials and work in progress to mitigate the risk of raw material price movements; whereas the finished goods are in stock for a period of approximately seven days as finished goods. These inventory levels are planned based on existing and expected orders, which are confirmed due to our long-standing relationships with customers. We maintain a lead-time material requirement planning system and utilize our ERP software, SAP (B1), to manage our levels of inventory.

We sell our products on a cost, insurance and freight basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics have the potential to impair our ability to procure raw materials and/or deliver our products *on time*. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations- Principal Factors Affecting Our Results of Operations Cost and availability of raw materials and other input” on page 406.

Where we are responsible for shipping the products to our customers, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures. For exports, our freight forwarders coordinate with the shipping line or airline to file and release the necessary bills of lading or air waybills.

### **Quality Control, Testing and Certifications**

Maintaining high standards of quality in our manufacturing, installation, operation and maintenance activities is critical to our growth and success. We have implemented quality systems across our manufacturing facilities that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products.

As of February 28, 2023, we had a quality control team 45 members, all of whom are qualified as Bachelors of Technology (Electronics & Communication and Mechanical) or have a diploma in electronics a/electricals or having graduation degree.

Our products undergo a qualification process throughout the entire life cycle from development to manufacturing. The bill-of-materials, test specifications, test methods and manufacturing processes are all standardized and validated for every product based on historical data and risk assessments. Our quality control programs at our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods.

### **Environment, Health and Safety**

We are subject to national, regional and state laws and government regulations in India and regulations in relation to safety, health and environmental protection. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

We strive to manage the potential risks associated with such laws and regulations through our operational controls, environmental monitoring and routine risk assessment and mitigation processes. We aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

We maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks. We have wastewater, effluent treatment plants and air pollution control systems in place. Our manufacturing facilities are ISO 9001:2015 (quality management system), ISO 14001: 2015 (environmental management system) and ISO 45001-2018 (occupational health and safety) certified.

### **Utilities**

We consume fuel and power for our operations at our manufacturing facilities, which is sourced through the local state power grid. Additionally, we have also installed generators in our manufacturing facilities to ensure uninterrupted supply of power. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our power and fuel expenses on a consolidated restated basis were ₹20.33 million, ₹13.12 million, ₹9.28 million and ₹8.97 million, which represented 1.03%, 0.72%, 0.70% and 0.76%, respectively, of our total expenses on a consolidated restated basis. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our power and fuel expenses on a

proforma consolidated basis were ₹34.46 million, ₹35.51 million, ₹23.39 million and ₹26.02 million, which represented 1.30%, 1.34%, 1.34% and 1.36%, respectively, of our total expenses on a proforma consolidated basis.

## **Information Technology**

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations. We utilize an enterprise resource planning solution SAP – B1, which assists us with various business functions including sales distribution, materials management, inventory management, production planning, quality management, plant maintenance, finance and controlling.

### *Information security and disaster recovery*

Information security is one of the key focus areas. We aim to protect data by firewalls, anti-virus software and keep two layer of data backups on our local system as well as off-site back up devices. For disaster recovery and backup, we have a defined IT disaster recovery plan in order to recover from disasters such as cyber-attacks and data hacking, natural disasters, ERP data loss, failure of software, fire in server room and disruption in LAN services. We have a dedicated IT team responsible for our IT systems who keeps data backup and periodic security checks.

For information on the risk to our IT systems, see “*Risk Factors - Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition and results of operations*” on page 57.

## **Competition**

We compete to provide our LED lighting solutions and our ABS piping systems to ODMs. Our competition includes full-service lighting and piping solutions to customers around India and around the world. We believe that our integrated end-to-end lighting solutions provide us with a competitive advantage. There are nearly 700 EMS companies in the market, ranging from large, medium-sized, to small players. Major global companies include Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO, Syрма, Elin, Centum among others. (*Source: F&S Report, March 2023*). We compete primarily on the basis of product and services offering, quality of our products, systems and spares, quality of our installation, operation and maintenance services (on-time delivery, customer service), security of supply (quality, regulatory compliance and financial stability), and cost-effective manufacturing and services. For further information, see “*Industry Overview*” page 134.

## **Insurance**

Our operations are subject to risks inherent as electrical products manufacturer, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a marine cargo insurance policy that insures consignments of goods by sea and by courier until delivery to the customer’s warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain a group personal accident, business travel accident and workmen’s compensation policy.

As of December 31, 2022, the total amount of our insurance coverage of stock and PPE, was ₹1,454.88 million (excluding vehicle insurance). The total amount insured and gross value of all fixed assets on a proforma consolidated basis (including property, plant and equipment, capital work in progress and intangible assets) were ₹265.88 million and ₹615.87 million, respectively, as of December 31, 2022. Consequently, our insurance cover for the gross value of all fixed assets on a proforma consolidated basis (including property, plant and equipment, capital work in progress, and intangible assets) was 43.17%, as of December 31, 2022.

## **Intellectual Property**

As on the date of this Red Herring Prospectus, our IP portfolio (either directly or indirectly through our Subsidiaries) consists of two registered trademarks (including the corporate logo of our Company under class 11) and two pending trademark applications. We do not own, and have not filed any applications for, patents.

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in the provision of services in our businesses, including know-how and trade secrets related to proprietary



technologies and patents, trademarks, know-how and trade secrets related to our contract manufacturing and our generic products. Our know-how and trade secrets in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality services and products to our customers. See “*Risk Factors – Our inability to maintain, protect and enforce our intellectual property rights, could adversely affect our business, results of operations and financial condition.*” on page 55.

## Employees

We place importance on developing our employees and human resources. As of February 28, 2023, we had 1470 employees and 19 contract labourers. We have all full time employees except security personnel, who are employed on a contractual basis. The following table sets forth the number of our employees as of February 28, 2023:

Departments / Teams	Number of Employees as on February 28, 2023 <sup>(1)</sup>
Management and administration	40
Quality Control	45
Sales and marketing	25
Finance and accounts	19
Manufacturing	1,152
IT	5
Environmental, health and safety	131
Research & Development (R&D)	27
SCM & Logistics	45
<b>Total</b>	<b>1,489</b>

(1) Includes 19 contract labourers.

In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our attrition rates were 8.53%, 8.65%, 5.60% and 10.54%, respectively. The average tenure across all our employees is approximately two years.

We do not have recognized trade unions at any location. We have not experienced any material work stoppages due to labour disputes or cessation of work in the last three fiscal years.

We are focused on improving gender diversity. As of February 28, 2023, we had 739 female employees (49.63% of our workforce).

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We are committed to providing an attractive working environment for our employees and to provide safe and healthy working conditions. We offer formal and informal training as well as on-the- job learning. We emphasise engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management.

Our workforce has been impacted by COVID-19, see “*Risk Factors- The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*” on page 48.

## Properties

Our registered office is located at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, New DELHI 110001, India, and is held on a leasehold basis. Our corporate office is located at D-234, D Block, Sector 63, Noida, Uttar Pradesh 201301, India, and is held on a leasehold basis. The following table sets forth details of our principal properties as on the date of this Red Herring Prospectus.

Name of company	Location	Primary Purpose	Freehold or Lease Expiration
Ikio Lighting Limited	Plot No. 102 Sector - 07, IIE, SIDCUL, Haridwar - 249403 (UK)	Manufacturing facility of our Company	Long term Leasehold from SIDCUL
Fine Technologies (India) Private	D- 234, Sector -63, Noida - 201301 (UP)	Manufacturing facility	Lease Expiring January 24, 2024

Limited			
Royalux Lighting Private Limited	B201 A, Industrial Phase 2, Noida 201305, Uttar Pradesh	Manufacturing facility	Lease Expiring October 31, 2023
Royalux Exports Private Limited	150-B, Noida Special Economic Zone, Noida - 201305 (U.P) Noida Special Economic Zone (NSEZ) Noida, Delhi/NCR	Manufacturing facility	Long Term Leasehold from NOIDA Authority

### Corporate Social Responsibilities

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility (“**CSR**”) Committee

## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.*

*The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute 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.*

*Taxation statutes such as the Income Tax Act, 1961, the Customs Act 1962, the relevant goods and services tax legislation and applicable shops and establishments' statutes apply to us as it does to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 418.*

### **Industry specific laws**

#### **Bureau of Indian Standards Act, 2016 (the "BIS Act")**

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, inter alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

#### **Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 ("Compulsory Registration Order")**

The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India ("DEIT"). The DEIT vide notification no. S.O. 2905(E) dated November 7, 2014 amended the Compulsory Registration Order to include self-ballasted LED Lamps for general lighting services and fixed general purpose luminaires, as well as issued mandatory directions to the manufacturers of LED lamps/general lighting services to obtain BIS registration.

#### **Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 ("Safety and Electric Supply Regulations")**

The Safety and Electric Supply Regulations lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include all electric supply lines and accessories to:

- have adequate power ratings and proper insulation;
- be of adequate mechanical strength for the duty cycle;
- have a switchgear installation in each conductor of every service line within a consumer's premises; and
- be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

### **The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (“Quality Control Order”)**

The Quality Control Order sets out directions and specified standards for a manufacturer for the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) and accessories. It prohibits those products which do not conform to standards specified and those which do not bear the standard mark issued by the Bureau of Indian Standards (“BIS”), and further requires any sub-standard or defective electrical wires, cables, appliances, protection devices or accessories to be deformed by such manufacturer beyond use and disposed of as scrap. Further, it directs that the commencement of manufacturing of such electrical equipment can only after obtaining a license from the BIS for the use of standard mark. The Quality Control Order is issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”). The Central Government is authorized to appoint an officer who shall be empowered to inspect any books or documents, search any premises, seize any electric equipment, as well as require any person engaged in the manufacture, storage, sale or distribution of electrical equipment to furnish information and samples, in the case of contravention of the Quality Control Order.

### **National Electric Code (“NEC”)**

The NEC (by the BIS in 1985) serves as a non-mandatory advisory model for adoption of various established codes of practice and promotion of safety on the economic selection, installation and maintenance of electric equipment, including switchgears, protection devices, service lines and meters. The code aims to keep up with international installation practices and provide guidelines on the general and supply characteristics and parameters of electrical installations. It is applicable to installations in domestic dwellings, commercial and industrial premises, and circuits, but excludes requirements falling under the purview of power utilities and tariff related guidance.

### **The Legal Metrology Act, 2009 (“Legal Metrology Act”)**

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out.

### **The Legal Metrology (Packaged Commodities) Rules, 2011, with amendments up to June 2017 (“Legal Metrology Rules”)**

The Legal Metrology Rules are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

### **The National Policy on Electronics, 2019 (“NPE”)**

The NPE is issued by, Ministry of Electronics and Information Technology, Government of India. The Policy envisions positioning India as a global hub for Electronics System Design and Manufacturing (“ESDM”) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

### **Foreign Exchange Laws**

#### **Foreign Exchange Management Act, 1999 (the “FEMA”).**

The primary exchange control legislation in India is the FEMA. Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange control.

#### **Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)**

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules 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 Act, 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; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette. FTA read with the Indian Foreign Trade Policy 2015 –2020 (extended up to September 30, 2021) provides that no export or import can be made by a company without an Importer-Exporter Code (“IEC”) unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

### **Export Promotion Capital Goods Scheme (“The EPCG Scheme”)**

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by physical exports or by way of “deemed exports”, which are transactions deemed to be exports.

### **Customs Act, 1962 (“Customs Act”)**

The Customs Act, as amended, regulates import of goods into and export of goods from India by providing for levy and collection of customs duties on goods in accordance with the Customs Tariff Act, 1975. Any Company requiring to import or export goods is first required to get registered under the Customs Act and obtain an Importer Exporter Code under FTDR. Customs duties are administrated by Central Board of Indirect Tax and Customs under the Ministry of Finance.

### **Environmental laws**

#### **The Environment (Protection) Act, 1986 (“EPA”) read with The Environment (Protection) Rules, 1986**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

#### **Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water 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.

#### **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

#### **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)**

The Hazardous Wastes Rules set out the regulations for management and disposal of environmental waste. It mandates that every facility generating hazardous waste must obtain prior approval from the relevant state pollution control board. Particular attention must be paid to the recycling the hazardous waste. In the case of improper handling and disposal, every

occupier transporter and the operator of a facility generating hazardous waste are liable for environmental damage and penalties thereunder.

### **The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“Hazardous Chemical Rules”)**

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

### **The Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act, along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation.

### **Plastic Waste Management Rules, 2016**

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with the aim of facilitating collection and recycling of plastic waste. It delegates responsibility to the waste generators for waste segregation and disposal. Plastic Waste Management (Amendment) Rules, 2018 prescribed a central registration system for the registration of the producer/importer/brand owner. Recently, the government has proposed draft Plastic Waste Management Rules, 2021 which aims to ban the manufacture, import, stocking, distribution, sale and use of specific single use plastic from January 1, 2022. The draft has also extended the applicability of rules to brand owner, plastic waste processor, including the recycler and co-processor etc.

### **Labour Related Legislations**

The employment of workers, depending on the nature of the activity, is currently regulated by a wide variety of generally applicable labour legislations, including the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, Industrial Employment (Standing Orders) Act, 1946, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employee’s Compensation Act, 1923, the Trade Unions Act, 1926, the Payment of Bonus Act, 1965, the Equal Remuneration Act, 1976, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Child Labour (Protection Regulation) Act, 1986, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Apprentices Act, 1961.

In order to rationalise and reform labour laws in India, the Government has enacted the following codes:

- Code on Wages, 2019, which regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. It 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.
- 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 the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- Code on Social Security, 2020, which amends and consolidates laws relating to social security. It governs the constitution and functioning of social security organisations such as the employees’ provident fund and the employees’ state insurance corporation, regulates the payment of gratuity, the provision of maternity benefits, and compensation in the event of accidents to employees, among others. It subsumes various legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

- Occupational Safety, Health and Working Conditions Code, 2020, amends and consolidates laws regarding the occupational safety, health and working conditions of persons employed in an establishment. It subsumes various legislations including the Factories Act, 1948, and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019, have come into force upon notification by the Ministry of Labour and Employment. The remainder of these codes shall come into force on the day that the Government shall notify for this purpose.

#### **Semiconductor Integrated Circuits Layout-Design (SICLD) Act, 2000 (“Semiconductor Integrated Circuits Act”)**

The aim of the Semiconductor Integrated Circuits Act is to provide protection of intellectual property rights in the area of semiconductor integrated circuit layout designs and for connected matters. Any person claiming to be the creator of a layout-design may apply to the Registrar of Layout-Designs appointed under the Act for registration of the layout-design. The holder of a registered integrated circuit layout design shall have the exclusive right to use it, irrespective of whether the design is incorporated in the product or not. However, no person has any right to prevent or recover damages for the infringement of an unregistered layout-design. The registration of a layout-design shall be for the period of ten years from the date of application, or from the date of commercial exploitation anywhere in India, whichever is earlier. The Semiconductor Integrated Circuits Layout Design Rules, 2001 have been put into force to assist the implementation of the Semiconductor Integrated Circuits Act.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of Our Company

Our Company was incorporated as '*IKIO Lighting Private Limited*' under the Companies Act, 2013, pursuant to the certificate of incorporation issued by the RoC on March 21, 2016. The name of our Company was subsequently changed to '*IKIO Lighting Limited*', upon conversion into a public company, pursuant to a board resolution dated January 3, 2022 and a shareholder's resolution dated January 31, 2022, and a fresh certificate of change of name was issued on April 18, 2022 by the RoC.

### Changes in the registered office of our Company

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

Date of change of registered office	Details of change	Reasons for change
September 15, 2021	The registered office of our Company was changed from J-12/76, Rajouri Garden, New Delhi - 110027 Delhi to 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi - 110001	For administrative and operational convenience

### Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

- To carry on anywhere in India or abroad, the business of manufacturing, fabricating, trading, designing, building, installing, buying, selling, importing & exporting of all types of electronics goods, parts, gadgets, instruments and appliances, LED Lights, LED Fixture, LED Driver and other electronics goods and parts thereof.*
- To carry on the business of designers, manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, dealers, stockiest, Suppliers, wholesalers, retailers, jobbers, contractors, repairers and hirers of all kinds of electrical and non electrical home appliances.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

### Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association since incorporation of our Company:

Date of Shareholders' resolution	Nature of amendment
July 17, 2021	Clause V of our MoA was amended to reflect the increase in the authorized share capital of our Company from ₹500,000 divided into 50,000 equity shares of ₹10 each to ₹500,000,000 divided into 50,000,000 equity shares of ₹10 each
January 31, 2022	Name of Company is changed from "IKIO Lighting Private Limited" to "IKIO Lighting Limited"
March 25, 2022	Clause V of our MoA was amended to reflect the increase in the authorized share capital of our Company from ₹500,000,000 divided into 50,000,000 equity shares of ₹10 each to ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each

### Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company and its Subsidiaries:

Year	Particulars
2016	Our Company was incorporated as a as ' <i>IKIO Lighting Private Limited</i> ' under the Companies Act, 2013
2016	Commenced business of manufacturing of Refrigerator Light
2019	Commenced new business in Noida Special Economic Zone area to carry out 100 % export activity



Year	Particulars
2022	Conversion of our Company into a public limited company
2022	Acquired 100% equity shares of IKIO Solutions Private Limited and Fine Technologies (India) Private Limited
2022	Received Quality Innovation Award-2022 from The Institute of Engineers(India) -Uttarakhand State Centre Safety & Quality Forum Disaster Awareness & Management forum

#### **Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, or revaluation of assets in the last 10 years**

Our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking in the last 10 years preceding the date of this Red Herring Prospectus except as follows:

##### **1. Share purchase agreement amongst IKIO Solutions Private Limited (“ISPL”), Hardeep Singh, Ishween Kaur (collectively “ISPL’s Shareholders”) and our Company dated September 10, 2022 (“SPA 1”)**

Our Company entered into SPA 1 with ISPL and ISPL’s Shareholders with an objective to acquire 100% equity shareholding of ISPL by sale of 40,000 equity shares of face value of ₹10 each and 10,000 equity shares of face value of ₹10 each of ISPL by Hardeep Singh and Ishween Kaur respectively, to our Company. Our Company purchased and acquired 100% of the ownership and voting interest in ISPL by payment of consideration of ₹400,000 to Hardeep Singh and ₹100,000 to Ishween Kaur. Pursuant to SPA 1, ISPL become the wholly-owned subsidiary of our Company.

##### **2. Share purchase agreement amongst Fine Technologies (India) Private Limited (“FTIPL”), Hardeep Singh, Surmeet Kaur (collectively, FTIPL’s Shareholders”) and our Company dated September 10, 2022 (“SPA 2”)**

Our Company entered into SPA 2 with FTIPL and FTIPL’s Shareholders with an objective to acquire 100% equity shareholding of FTIPL by sale of 140,000 equity shares of face value of ₹10 each and 60,000 equity shares of face value of ₹10 each of FTIPL by Hardeep Singh and Surmeet Kaur respectively, to our Company. Our Company purchased and acquired 100% of the ownership and voting interest in FTIPL by payment of consideration of ₹90,720,000 to Hardeep Singh and ₹38,880,000 to Surmeet Kaur. Pursuant to SPA 2, FTIPL become the wholly-owned subsidiary of our Company.

#### **Time and cost over-runs**

There have been no time and cost over-runs in respect of our business operations.

#### **Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks**

There have been no defaults on repayment of any loan availed from any banks or financial institutions. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

#### **Lock-out and strikes**

As on the date of this Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

#### **Accumulated Profits or Losses**

There are no accumulated profits and losses of any of our Subsidiary that are not accounted for by our Company in the Restated Consolidated Financial Information.

#### **Significant financial and strategic partners**

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

#### **Material Agreements**

##### **Details of subsisting shareholders’ agreements**

As on the date of this Red Herring Prospectus, our Company does not have any subsisting shareholders’ agreements.

### Other material agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business of our Company. For details on business agreements of our Company, see “*Our Business*” on page 188.

### Details of guarantees given to third parties by the Selling Shareholders (also our Promoters)

Except as stated below, Hardeep Singh and Surmeet Kaur have not provided guarantees to any third parties as on the date of this Red Herring Prospectus. For further details, see “*Financial Indebtedness - Security*” on page 465.

Guarantor	Details of guarantee	Reason	Amount (in million)	Obligations as on our Company	Date of guarantee	Financial implications in case of default	Security available	Consideration
Hardeep Singh	Personal guarantee given to HDFC Bank Limited	Collateral security for cash credit facility	659.22	N.A.	N.A.	Invocation of personal guarantee	N.A.	N.A.
	Personal guarantee given to IndusInd Bank Limited	Collateral security for cash credit facility	38.74	N.A.	N.A.	Invocation of personal guarantee	N.A.	N.A.
Surmeet Kaur	Personal Guarantee given to HDFC Bank Limited	Collateral security for cash credit facility	337.55	N.A.	N.A.	Invocation of personal guarantee	N.A.	N.A.
	Personal Guarantee given to IndusInd Bank Limited	Collateral security for cash credit facility	38.74	N.A.	N.A.	Invocation of personal guarantee	N.A.	N.A.

### Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launched by our Company, or entry into new geographies please see “*Our Business*” on page 188.

Our Company has not exited from existing markets. For details of capacity, facility creation or location of plant, see “*Our Business*” on page 188.

### Agreements with Key Managerial Personnel, Senior Management, Director, or any other employee

There are no agreements entered into by a Key Managerial Personnel, Senior Management, or Director 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 Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries**

As of the date of this Red Herring Prospectus, our Company has four Subsidiaries. For details see “*Our Subsidiaries*” on page 220.

**Associate Company**

As on date of this Red Herring Prospectus, our Company does not have any associate companies.

**Joint Venture**

As on date of this Red Herring Prospectus, our Company does not have any joint ventures.

## OUR SUBSIDIARIES

As of the date of this Red Herring Prospectus, our Company has two direct Subsidiaries and two indirect Subsidiaries in terms of the Companies Act, 2013, and the details of our Subsidiaries are stated below:

### Direct Subsidiaries

1. Fine Technologies (India) Private Limited
2. IKIO Solutions Private Limited

### Indirect Subsidiaries

3. Royalux Exports Private Limited
4. Royalux Lighting Private Limited

### Direct Subsidiaries

#### 1. Fine Technologies (India) Private Limited (“FTIPL”)

**Corporate information:** FTIPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated February 2, 1999 issued by the RoC. Its CIN is U31101DL1999PTC098179 and currently its registered office is situated at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

**Nature of business:** FTPL is presently engaged in the manufacturing of fan regulators and fixtures of LED lights including powder coating of fixtures of LED lights.

**Capital structure:** The authorized share capital of FTIPL is ₹15,000,000 comprising of 1,500,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹2,000,000 comprising of 200,000 equity shares of ₹ 10 each.

#### Shareholding pattern

The shareholding pattern of FTIPL as on the date of this Red Herring Prospectus is as follows:

Name of the shareholder	Number of equity shares	Percentage of total shareholding (%)
IKIO Lighting Limited	199,999	100
Surmeet Kaur (on behalf of IKIO Lighting Limited)	1	Negligible
<b>Total</b>	<b>200,000</b>	<b>100</b>

#### Accumulated Profits or Losses

There are no accumulated profits and losses of FTPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

#### 2. IKIO Solutions Private Limited (“ISPL”)

**Corporate information:** ISPL was incorporated on September 20, 2018 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated October 5, 2018 issued by the RoC. Its CIN is U36995UP2018PTC108238. It has its registered office at D 234, Sector-63 Noida, Gautam Buddha Nagar – 201307, Uttar Pradesh India.

**Nature of business:** ISPL is authorized to be engaged in carrying on the business of and providing consultancy, anywhere in India or abroad, for manufacturing, fabricating, trading, designing, building, installing, buying, selling, importing, and exporting of all types of electronics goods, parts, gadgets, instruments and appliances, LED Lights, LED Fixture, LED Driver and other electronics goods and parts.

**Capital structure:** The authorized share capital of ISPL is ₹1,000,000 comprising of 100,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹500,000 comprising of 50,000 equity shares of ₹ 10 each.

### **Shareholding pattern**

The shareholding pattern of ISPL as on the date of this Red Herring Prospectus is as follows:

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of total shareholding (%)</b>
IKIO Lighting Limited	49,999	100
Ishveen Kaur (on behalf of IKIO Lighting Limited)	1	Negligible
<b>Total</b>	<b>50,000</b>	<b>100</b>

### **Accumulated Profits or Losses**

There are no accumulated profits and losses of ISPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

### **Indirect Subsidiaries**

#### **1. Royalux Exports Private Limited (“REPL”)**

**Corporate information:** REPL was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated December 7, 2021 issued by the RoC. Its CIN is U31909DL2021PTC390952. It has its registered office at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

**Nature of business:** REPL was incorporated to take over existing business of Royalux Exports, a proprietorship concern of Hardeep Singh and to manufacture, produce, sales, service, import, export, maintenance or otherwise deal in LED lights, solar panel, lithium batteries and other related products. Presently, REPL is engaged in manufacturing and export of LED Lights and ABS pipes.

**Capital structure:** The authorized share capital of REPL is ₹100,000,000 comprising of 10,000,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹ 90,308,680 comprising of 9,030,868 equity shares of ₹ 10 each.

### **Shareholding pattern**

The shareholding pattern of REPL as on the date of this Red Herring Prospectus is as follows:

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of total shareholding (%)</b>
Fine Technologies (India) Private Limited	9,030,867	100
Surmeet Kaur (On behalf of Fine Technologies (India) Private Limited)	1	Negligible
<b>Total</b>	<b>9,030,868</b>	<b>100</b>

### **Accumulated Profits or Losses**

There are no accumulated profits and losses of REPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

#### **2. Royalux Lighting Private Limited (“RLPL”)**

**Corporate information:** RLPL was originally incorporated as “*Royalux Lighting LLP*” under the Limited Liability Partnership Act, 2008 pursuant to a certificate of incorporation dated September 9, 2014 issued by the RoC. Royalux Lighting LLP was converted into a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 23, 2022 issued by the RoC and its name changed to Royalux Lighting Private Limited. Its CIN is U31906DL2022PTC395429. It has its registered office at 411, Arunachal Building, 19 Barakhamba Road, Connaught Place, Central Delhi-110001, Delhi, India.

**Nature of business:** RLPL is presently engaged in the business of manufacturing of refrigerator LED lights and its parts/accessories and other electrical and electronics goods.

**Capital structure:** The authorized share capital of RLPL is ₹100,000,000 comprising of 10,000,000 equity shares of ₹ 10 each and its issued, subscribed, and paid-up equity share capital is ₹ 82,445,000 comprising of 8,244,500 equity shares of ₹ 10 each.

### ***Shareholding pattern***

The shareholding pattern of RLPL as on the date of this Red Herring Prospectus is as follows:

<b>Name of the shareholder</b>	<b>Number of equity shares</b>	<b>Percentage of total shareholding (%)</b>
Fine Technologies (India) Private Limited	8,244,499	100
Sanjeet Singh (on behalf of Fine Technologies (India) Private Limited)	1	Negligible
<b>Total</b>	<b>8,244,500</b>	<b>100</b>

### ***Accumulated Profits or Losses***

There are no accumulated profits and losses of RLPL, not accounted for, by our Company in the Restated Consolidated Financial Statements.

### **Interest in our Company**

Except as disclosed in the section “*Related Party Transactions in Note 42 of Financial Statement*” on page our Subsidiaries do not have or propose to have any business interest in our Company.

### **Common Pursuits**

Our Subsidiaries have common pursuits with our Company and each other and are engaged in similar lines of business to that of our Company. However, we do not perceive any conflict of interest with our Subsidiaries as our Subsidiaries are controlled by us. For details, see “*Our Business*” on page 188. We shall adopt necessary procedures and practices as permitted by law to address any situations of conflict of interest, as and when they may arise.

### **Confirmations**

None of our Subsidiaries are listed on any stock exchange in India or abroad.

Further, none of the securities of our Subsidiaries have been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad, to the extent applicable.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association of our Company 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 this Red Herring Prospectus, our Board comprises six Directors, including three Executive Directors (including our Managing Director), and three Independent Directors.

The following table sets forth details regarding our Board as of the date of this Red Herring Prospectus:

S. No.	Name, designation, date of birth, address, occupation, nationality, period and term and DIN	Age (years)	Directorships in other companies
1.	<b>Hardeep Singh</b>  <b>Designation:</b> Managing Director and Chairman  <b>Date of birth:</b> October 24, 1959  <b>Address:</b> J-12/76, Rajori Garden, New Delhi -110027  <b>Occupation:</b> Business  <b>Current term:</b> For a period of 5 years with effect from March 28, 2022 to March 27, 2027  <b>Period of directorship:</b> Director since March 21, 2016  <b>DIN:</b> 00118729	63	1. IKIO Solutions Private Limited 2. Royalux Lighting Private Limited 3. Royalux Exports Private Limited 4. Fine Technologies (India) Private Limited 5. Krishna Computech International Private Limited 6. East West Softec Private Limited 7. New Line Electrotech Private Limited 8. Raina Metaltech Private Limited
2.	<b>Surmeet Kaur</b>  <b>Designation:</b> Whole-time Director  <b>Date of birth:</b> May 6, 1961  <b>Address:</b> J-12/76, Rajori Garden, New Delhi -110027  <b>Occupation:</b> Business  <b>Current term:</b> For a period of 5 years with effect from June 1, 2022 to May 31 2027  <b>Period of directorship:</b> Director since March 21, 2016  <b>DIN:</b> 00118695	62	1. Raina Metaltech Private Limited 2. Royalux Exports Private Limited 3. Fine Technologies (India) Private Limited
3.	<b>Sanjeet Singh</b>  <b>Designation:</b> Whole-time Director  <b>Date of birth:</b> February 13, 1987  <b>Address:</b> F-1, F Block, Kirti Nagar, Ramesh Nagar, New Delhi-110015  <b>Occupation:</b> Business	36	1. Fine Technologies (India) Private Limited 2. IKIO Solutions Private Limited 3. Royalux Lighting Private Limited

S. No.	Name, designation, date of birth, address, occupation, nationality, period and term and DIN	Age (years)	Directorships in other companies
	<p><b>Current term:</b> For a period of 5 years with effect from June 01, 2022 until May 31, 2027</p> <p><b>Period of directorship:</b> Director since February 1, 2019</p> <p><b>DIN:</b> 08353656</p>		
4.	<p><b>Chandra Shekhar Verma</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> September 29, 1959</p> <p><b>Address:</b> Sector C, Pocket-4 Vasant Kunj, South West Delhi, Delhi-110070</p> <p><b>Occupation:</b> Professional</p> <p><b>Current term:</b> For a period of 3 years with effect from April 14, 2022 to April 13, 2025</p> <p><b>Period of directorship:</b> Director since April 14, 2022</p> <p><b>DIN:</b> 00121756</p>	63	<ol style="list-style-type: none"> <li>1. SML ISUZU Limited</li> <li>2. Multi Commodity Exchange of India Limited</li> <li>3. First Advantage Consulting Group Limited</li> <li>4. Spartan Finvoyance Private Limited</li> <li>5. Royalux Lighting Private Limited</li> </ol>
5.	<p><b>Kishor Kumar Sansi</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> August 19, 1957</p> <p><b>Address:</b> R/o B-301, Badhwar Apartments, Sector 6, Dwarka, New Delhi – 110 075</p> <p><b>Occupation:</b> Professional</p> <p><b>Current term:</b> For a period of 3 years with effect from April 14, 2022 to April 13, 2025</p> <p><b>Period of directorship:</b> Director since April 14, 2022</p> <p><b>DIN:</b> 07183950</p>	65	<ol style="list-style-type: none"> <li>1. Laxmi India Finance Private Limited</li> <li>2. UTI Infrastructure Technology and Services Limited</li> <li>3. Reserve Bank Information Technology Private Limited</li> <li>4. UV Asset Reconstruction Company Limited</li> <li>5. Spartan Finvoyance Private Limited</li> <li>6. Prayatna Microfinance Limited</li> <li>7. Royalux Exports Private Limited</li> </ol>
6.	<p><b>Rohit Singhal</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> November 2, 1986</p> <p><b>Address:</b> BP-48, Shalimar Bagh, New Delhi -110088</p> <p><b>Occupation:</b> Professional</p> <p><b>Current term:</b> For a period of 3 years with effect from April 20, 2022 until April 19, 2025</p> <p><b>Period of directorship:</b> Director since April 20, 2022</p> <p><b>DIN:</b> 05272543</p>	36	<ol style="list-style-type: none"> <li>1. Fine Technologies (India) Private Limited</li> </ol>



## **Brief biographies of our Directors**

**Hardeep Singh** is the Chairman and Managing Director of our Company. He is the founder and one of the Promoter of our Company. He has been associated with our Company since its inception. He has completed his Higher Secondary Education and has more than two decades of experience in the manufacturing of television kits, electronic components and LED lighting. He has been honoured by Philips with "Game Changer" Award for LED Lighting Production. He oversees the overall functions of our Company and is responsible for overseeing the strategic growth initiatives and expansion plans.

**Surmeet Kaur** is the Whole-time Director on our Board and one of the Promoters of our Company. She holds a bachelors' degree in Arts (Honours) from University of Delhi. She has been associated with the Company since inception and is responsible for management of Human Resources.

**Sanjeet Singh** is the Whole-time Director on our Board. He holds a bachelor's degree in Commerce from University of Delhi. He has been associated with our Company since February 1, 2019. He oversees the overall operations of the Company.

**Chandra Shekhar Verma** is an Independent Director of our Company. He holds a master's degree in commerce in University of Rajasthan. He also holds a bachelor's degree in law and Masters in Business Administration from University of Rajasthan. He is a qualified Cost and Management Accountant and Company Secretary. He has been associated with our Company since April 14, 2022 and has years of experience in the Public Sector. He has previously served as Chairman and Managing Director of Steel Authority of India Limited.

**Kishor Kumar Sansi** is an Independent Director of our Company. He holds a bachelors' degree in Science (Honours) from University of Delhi and holds a master's degree in Science and a master's degree in Philosophy from University of Delhi. He is associated with our Company since April 14, 2022. Prior to joining our Company, he was the Executive Director of Punjab & Sind Bank and the Managing Director and Chief Executive Officer of Vijaya Bank and has years of experience in Public Sector Banks.

**Rohit Singhal** is an Independent Director of our Company. He holds a bachelors' degree in bachelors of Commerce from Delhi University. He is a qualified Chartered Accountant. He has been associated with our Company since April 20, 2022 and has over 12 years of experience as practicing Chartered accountant.

## **Arrangement or understanding with major shareholders, customers, suppliers or others**

None of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

## **Details regarding directorships of our Directors in listed companies**

None of our Directors is or was, during the last five years preceding the date of this Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

## **Confirmations**

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors has been identified as Wilful Defaulters or Fraudulent Borrower as defined under The SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

None of our Directors is prohibited from accessing the capital market or debarred from buying, selling or dealing

in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Relationships between our Directors

Other than mentioned in the below table, there is no relationship between our Directors

Names	Relationship
Hardeep Singh and Surmeet Kaur	Spouse
Hardeep Singh and Sanjeet Singh	Father in law and Son in law
Surmeet Kaur and Sanjeet Singh	Mother in law and Son in law

### Terms of appointment of Directors

#### Remuneration to Executive Directors:

##### 1. Hardeep Singh

Hardeep Singh has been a Director on the Board of our Company since March 21, 2016 and was appointed as Managing Director and Chairman of the Company pursuant to a Board resolution dated March 28, 2022 for Managing Director and June 1, 2022 for Chairman respectively and Shareholder's resolution dated March 29, 2022 for a period of 5 years with effect from March 28, 2022. The following table sets forth the terms of appointment of Hardeep Singh

Particulars	Terms of remuneration
Remuneration	₹ 1.5 million per month
Other Perquisites	As per actuals

In Fiscal 2022, he received an aggregate compensation of ₹ 85.00 million.

##### 2. Surmeet Kaur

Surmeet Kaur has been a Director on the Board of our Company since March 21, 2016 and was appointed as Whole-time Director of the Company pursuant to a Board resolution dated June 1, 2022 and Shareholders' resolution dated June 15, 2022 for a period of 5 years with effect from June 1, 2022 to May 31, 2027. The following table sets forth the terms of appointment of Surmeet Kaur.

Particulars	Terms of remuneration
Remuneration	₹ 0.6 million per month
Other Perquisites	As per actuals

In Fiscal 2022, she received an aggregate compensation of ₹ 19.50 million.

##### 3. Sanjeet Singh

Sanjeet Singh has been a Director on the Board of our Company since February 1, 2019 and was appointed as Whole-time Director of the Company pursuant to a Board resolution dated June 1, 2022 and Shareholders' resolution dated June 15, 2022 for a period of 5 years with effect June 1, 2022 to May 31, 2027. The following table sets forth the terms of appointment of Sanjeet Singh:

Particulars	Terms of remuneration
Remuneration	₹ 0.15 million per month
Other Perquisites	As per actuals

In Fiscal 2022, he received an aggregate compensation of ₹ 19.50 million.

#### Sitting fees of Non – executive and Independent Directors:

Pursuant to the Board resolution dated April 13, 2022, each Independent Director, is entitled to receive sitting fees of ₹0.05 million per meeting for attending meetings of the Board, ₹0.025 million per meeting for attending meetings of the committee of the Company.

**Details of the remuneration paid to the Independent Directors of our Company for the Financial Year 2022 are as follows:**

All our existing Independent Directors are appointed in Financial Year 2022. Hence, no sitting fees or commission was paid by our Company to any Independent Directors in Financial Year 2022.

**Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold any qualification shares. Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

Name of Director	Number of Equity Shares held
Hardeep Singh	38,999,142
Surmeet Kaur	26,000,000
Sanjeet Singh	260

**Interest of Directors**

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “*Our Management – Terms of appointment of Directors – Remuneration to Executive Directors*” on page 226.

Further, other than Hardeep Singh our Chairman and Managing Director and Surmeet Kaur our Whole-time Director, none of our Directors have any interest in the promotion or formation of our Company. Except as disclosed below, none of our Directors have any direct or indirect interest in the properties that our Company has taken on lease:

Our Company has entered into the following lease agreements with Raina Metaltech Private Limited in which our Promoters and Directors, Hardeep Singh and Surmeet Kaur are directors

Lessor	Lessee	Relationship	Agreement date	Address of the property	Rent (per month) in ₹ million	Period
Raina Metaltech Private Limited	IKIO Lighting Limited	Our Promoters Hardeep Singh and Surmeet kaur are directors of Raina MetalTech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.18	11 months

The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Further, Hardeep Singh is interested in the Company to the extent of certain loans granted to the Company. For details, see ‘*Financial Indebtedness – Principal terms of the borrowings availed by us*’ on page 465.

**Bonus or profit-sharing plan of the Directors**

None of our Directors are party to any bonus or profit-sharing plan of our Company.

**Changes in the Board in the last three years**

Except as stated below, there has been no change in the Board in the three preceding years:

Name	Date of change	Reason for change
Chandra Shekar Verma	April 14, 2022	Appointment
Kishor Kumar Sansi	April 14, 2022	Appointment
Rohit Singhal	April 20, 2022	Appointment

*Note: This table does not include details of regularisations of additional Directors and changes in designation.*

### Borrowing powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the special resolution dated June 15, 2022 passed by the Shareholders, the Board may borrow as and when required from any Bank and/or other Financial Institutions and/or foreign lender and/or anybody corporate/entity/ entities and/or authorities either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of ₹ 1,000 million notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company( apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves not set apart for any specific purpose.

### Remuneration from our Subsidiaries

Except as disclosed below, none of the Directors of our Company has been paid any remuneration by our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2022

Sr. no.	Directors	Name of the Subsidiary	Total Compensation (In ₹ million)
1.	Surmeet Kaur	Fine Technologies (India) Private Limited	9.00
2.	Sanjeet Singh	Royalux Lighting Private Limited	1.20

### Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law.

### Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following committees of the Board of directors:

- Audit Committee;
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility Committee; and
- Risk Management Committee.

For purposes of the Offer, our Board has also constituted an IPO Committee.

### Audit Committee

The Audit committee was last reconstituted by a resolution of our Board dated June 1, 2022. The current constitution of the Audit Committee is as follows:

Name of the Director	Position in the Committee	Designation
Mr Rohit Singhal	Chairperson	Independent Director
Mr Hardeep Singh	Member	Managing Director
Mr Kishor Kumar Sansi	Member	Independent Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary of the Committee.

The constitution, scope and function of the Audit Committee are in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of the Audit Committee include:

#### **Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee of the Company;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary.
- e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### **A. 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 reuse 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; and
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 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:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- f) Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
- g) the financial statements, in particular, the investments made by any unlisted subsidiary; and
- h) such information as may be prescribed under the Companies Act and SEBI Listing Regulations

### **Nomination and Remuneration Committee**

The Nomination and Remuneration committee was last re-constituted by a resolution of our Board dated June 1, 2022. The current constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Kishor Kumar Sansi	Chairman	Independent Director

Name of the Director	Position in the Committee	Designation
Chandra Shekhar Verma	Member	Independent Director
Rohit Singhal	Member	Independent Director

The constitution, scope and function of the Nomination and Remuneration Committee are in compliance 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 include:

- a. 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.
- b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates

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
- c. Formulating criteria for evaluation of performance of independent directors and the Board;
- d. Devising a policy on diversity of Board;
- e. 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;
- f. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g. Recommending to the board, all remuneration, in whatever form, payable to senior management;
- h. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- i. 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;
- j. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- k. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- l. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
- m. 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:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;

- n. 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;
- o. Performing such other functions as may be necessary or appropriate for the performance of its duties; and
- p. Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2022.
- q. Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) including the following:
  - Determining the eligibility of employees to participate under the ESOP Scheme;
  - Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - Date of grant;
  - Determining the exercise price of the option under the ESOP Scheme;
  - The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - The grant, vest and exercise of option in case of employees who are on long leave;
  - Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - The procedure for cashless exercise of options;
  - Forfeiture/ cancellation of options granted;
  - Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- r. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

### Stakeholders Relationship Committee

The Stakeholders’ Relationship Committee was reconstituted by a resolution of our Board dated June 1, 2022. The current constitution of the Stakeholders Relationship Committee is as follows:

Name of the Director	Position in the Committee	Designation
Chandra Shekhar Verma	Chairman	Independent Director
Surmeet Kaur	Member	Whole Time Director
Sanjeet Singh	Member	Whole Time Director

The constitution, scope and function of the Stakeholders’ Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders’ Relationship Committee include:

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;
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; and
11. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was last re-constituted by our Board at its meeting held on June 01, 2022 in accordance with Section 135 of the Companies Act. The current constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Hardeep Singh	Chairperson	Managing Director
Surmeet Kaur	Member	Whole Time Director
Chandra Shekhar Verma	Member	Independent Director

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in (1) and amount to be incurred for such expenditure shall be as per the applicable law;
3. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

5. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
6. To review and monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time, and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
7. To do such other acts, deeds and things as may be required to comply with the applicable laws; and;
8. To take note of the Compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company.

The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:

- the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
  - the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
  - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - monitoring and reporting mechanism for the projects or programmes; and
  - details of need and impact assessment, if any, for the projects undertaken by the Company;
9. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.”

#### **Risk Management Committee**

The Risk Management Committee was constituted by our Board at its meeting held on June 1, 2022 in accordance with requirements of the Securities and Exchange Board of India Act, 1992, as amended, Regulation 21 the Listing Regulations and Section 178 of the Companies Act. The current constitution of the Risk Management Committee is as follows

<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Hardeep Singh	Chairman	Managing Director
Kishor Kumar Sansi	Member	Independent Director
Sanjeet Singh	Member	Whole-Time Director

The terms of reference of the Risk Management Committee include the following:

- A. To formulate a detailed risk management policy covering risk across functions and plan integration through training and awareness programmes which shall include:
- B.
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined;
  - Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - Business continuity plan.
- C. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- D. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- E. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- F. To approve the process for risk identification and mitigation;
- G. To decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;
- H. To monitor the Company’s compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;
- I. To approve major decisions affecting the risk profile or exposure and give appropriate directions;

- J. To consider the effectiveness of decision making process in crisis and emergency situations;
- K. To generally, assist the Board in the examination of its responsibility for the governance of risk;
- L. To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- M. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee.
- N. To implement and monitor policies and/or processes for ensuring cyber security;
- O. To review and recommend potential risk involved in any new business plans and processes;
- P. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- Q. To monitor and review regular updates on business continuity;
- R. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- S. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- T. To advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- U. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

### **IPO Committee**

The IPO Committee was constituted by a meeting of our Board held on September 14, 2022. The members of the IPO Committee are:

<b>Name of the Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Hardeep Singh	Chairman	Managing Director
Rohit Singhal	Member	Independent Director
Sanjeet Singh	Member	Whole-time Director

The terms of reference of the IPO Committee include the following:

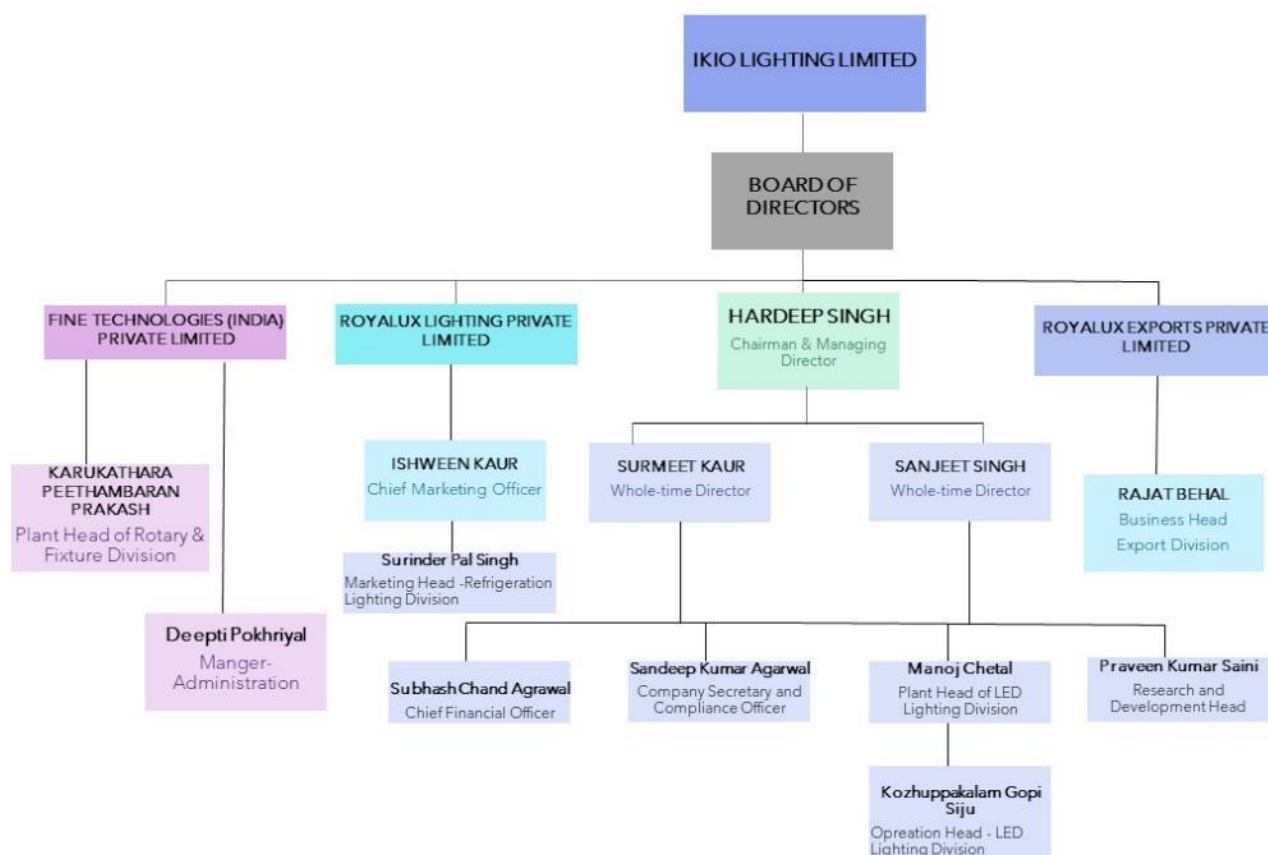
1. To decide, negotiate and finalize, in consultation with the book running lead manager appointed in relation to the Offer (the "Book Running Lead Manager"), all matters regarding the Pre-Offer Placement, if any, out of the fresh issue of Equity Shares by the Company in the Offer, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;
2. To amend the terms of participation by the Selling Shareholders in the Offer for Sale;
3. 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;
4. To decide on other matters in connection with or incidental to the Offer, including the pre-Offer 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;
5. 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;
6. To finalize, settle, approve, adopt and file in consultation with the Book Running Lead Manager 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 RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

7. 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;
8. To approve the relevant restated consolidated financial statements to be issued in connection with the Offer;
9. To appoint and enter into and terminate arrangements with the Book Running Lead Manager, and appoint and enter into and terminate arrangements in consultation with the Book Running Lead Manager 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 banks, 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 Book Running Lead Manager and negotiation, finalization, execution and, if required, amendment or termination of the Offer agreement with the Book Running Lead Manager;
10. 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;
11. 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), Book Running Lead Manager 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;
12. To authorise the maintenance of a register of holders of the Equity Shares;
13. 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;
14. 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;
15. 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;
16. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
17. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
18. 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;
19. 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;

20. 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 aforesaid documents;
21. 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;
22. 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 Book Running Lead Manager;
23. 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;
24. 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;
25. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;
26. 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;
27. 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;
28. 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;
29. 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;
30. 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 Book Running Lead Manager; and
31. To delegate any of its powers set out under (a) to (ee) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company"

## Management Organisation Chart



### A. Key Managerial Personnel

**Hardeep Singh** is the Chairman and Managing Director of our Company, Surmeet Kaur and Sanjeet Singh are Whole-time Directors of our Company. For details please see the section entitled “*Our Management - Brief Biographies of Directors*” beginning on page on page 225. For details of compensation paid to our Executive Directors during fiscal 2022, please see the section entitled “*Our Management - Terms of Appointment of our Executive Director*” on page on page 226. The details of the Key Managerial Personnel, other than Hardeep Singh, Surmeet Kaur and Sanjeet Singh as of the date of this Red Herring Prospectus are as follows:

**Subhash Chand Agrawal** is “Chief Financial Officer” of our Company. He holds a bachelor’s degree in Science from Agra University. He is a qualified Chartered Accountant and a fellow member of ICAI. He has been associated with our Company since February 15, 2022. He has over 22 years of experience as Chartered Accountant. Previously, he was working with Yamuna Insutech Private Limited, Seil Sugar Limited, FIL Industries Limited, Qippo Telecom Private Limited, Tower Vision India Private Limited, Essel Green Mobility Limited, Footwear (Klick) India Private Limited and Lars Medicare India Limited. He was paid a remuneration of ₹ 0.60 million during Fiscal 2022. He is currently responsible for finance and accounts in the Company.

**Sandeep Kumar Agarwal** is the “Company Secretary and Compliance Officer” of our Company. He holds a bachelor’s degree in Science from Chowdhary Charan Singh University. He holds a master’s degree in Commerce from Chowdhary Charan Singh University. Also, he holds a master’s degree in Business Administration from U.P. Rajarshi Tandon Open University. He is a qualified company secretary. He has been associated with our Company since February 19, 2022. He has over 15 years of experience. Previously, he was working with Geo Enpro Petroleum Limited, Orissa Stevedores Limited and HLS Asia Limited. He was paid a remuneration of ₹ 0.18 million during Fiscal 2022. He is currently responsible for secretarial and legal compliance work in the Company.

### B. Senior Management Personnel

In addition to the Chief Financial Officer and Company Secretary and Compliance Officer of our Company, whose details are provided in “*Our Management–Key Managerial Personnel*” on page 238, the details of our Senior Management as on the date of this Red Herring Prospectus are as set forth below:

**Ishween Kaur** is the Chief Marketing Officer of Royalux Lighting Private Limited. She holds a bachelor’s degree in Business Administration from Guru Gobind Singh Indraprastha University. She has been associated with our Company since March 6, 2018. She has over 4 years of experience in Business Administration. She was paid a remuneration of ₹15.00 million during Fiscal 2022. She is currently responsible for the marketing activities in Royalux Lighting Private Limited.

**Karukathara Peethambaran Prakash** is the Plant Head of Rotary & Fixture Division in Fine Technologies (India) Private Limited. He holds a bachelor’s degree in Arts from Mahatma Gandhi University. He has been associated with our Company since January 7, 1999. He has over 23 years of experience in the field of Production. He was paid a remuneration of ₹1.50 million during Fiscal 2022. He is currently responsible for assisting in the overall plant operation of Fine Technologies (India) Private Limited.

**Manoj Chetal** is the “Plant Head of LED Lighting Division” our Company. He holds a bachelor’s degree in Electrical Engineering from Birla Institute of Technology and Science. He has been associated with our Company since April 21, 2018. Previously he has worked with Microtek International Private limited from October 2012 to April 2018. He was paid a remuneration of ₹2.30 million during Fiscal 2022. He is currently responsible for overall plant operation of our Company.

**Rajat Behal-** is “Business Head Export Division” of Royalux Export Private Limited. He holds a bachelor’s degree in Engineering from University of Pune and master’s in Business Administration from Indira Gandhi Open University. He has been associated with our Company since 2019. He was paid a remuneration of ₹ 2.90 million during Fiscal 2022. He is currently responsible for overall operations of export division of Royalux Export Private Limited.

**Surinder Pal Singh** is “Marketing Head-Refrigeration Lighting Division” of Royalux Lighting Private Limited. He holds a bachelor’s degree in Commerce from University of Delhi. He has over 6 years of experience and previously he has worked with Inko Technologies, a proprietary concern of our Promoter Hardeep Singh. He has been associated with our Company since 2017. He was paid a remuneration of ₹1.97 million during Fiscal 2022. He is currently responsible for marketing activities in Royalux Lighting Private Limited.

**Kozhuppakalam Gopi Siju** is the “Operation Head –LED Lighting Division” He holds a bachelor’s degree in Commerce from Mahatma Gandhi University from Kottayam, Kerala. He has over 16 years of work experience and previously he was working with Inko Technologies, a proprietary concern of our Promoter Hardeep Singh before he established IKIO Lighting Limited. He has been associated with our Company since 2019. He was paid a remuneration of ₹1.26 million during Fiscal 2022. He is currently responsible for managing our manufacturing unit a SIDCUL Haridwar.

**Praveen Kumar Saini** is the Research and Development Head of our Company. He holds a bachelor’s degree in Engineering in Technology in Electronics and Communication from Gautam Buddha Technical University. He has been associated with our Company since December 17, 2018. He has over 12 years of experience in the field of Research and Development. Previously, he was working with NTL Electronics India Limited, Compact Lamps Private Limited and Dixon Technologies India Limited. He was paid a remuneration of ₹1.70 million during Fiscal 2022. He is currently responsible for Research and Development activity in the Company

**Deepti Pokhriyal** is “Manager- Administration” of our Subsidiary Fine Technologies (India) Private Limited. She holds a bachelor’s degree in Arts from Delhi University. She has over 16 years of work experience and has been associated with Fine Technologies (India) Private Limited since 2006. She was paid a remuneration of ₹1.00 million during Fiscal 2022. She is currently responsible for all administration activities of Fine Technologies (India) Private Limited.

#### **Status of Key Managerial Personnel and Senior Management**

All our Key Managerial Personnel and Senior Management are permanent employees of our Company or our Subsidiaries.

#### **Relationship between our Directors, Key Managerial Personnel and Senior Management**

<b>Names</b>	<b>Relationship</b>
Hardeep Singh and Surmeet Kaur	Spouse
Hardeep Singh and Sanjeet Singh	Father in law and son in law

<b>Names</b>	<b>Relationship</b>
Surmeet Kaur and Sanjeet Singh	Mother in law and son in law
Hardeep Singh and Ishween Kaur	Father and daughter
Surmeet Kaur and Ishween Kaur	Mother and daughter
Sanjeet Singh and Ishween Kaur	Spouse

### **Shareholding of Key Managerial Personnel and Senior Management**

Except as disclosed in “*Shareholding of Directors in our Company*” on page 227, and stated below, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.:

<b>Name of Key Managerial Personnel</b>	<b>Number of Equity Shares held</b>
Ishween Kaur	260
Kozhuppakalam Gopi Siju	26
Deepti Pokhriyal	26

### **Bonus or profit-sharing plans of the Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

### **Interests of Key Managerial Personnel and Senior Management**

Except as provided in “*Our Management – Interest of Directors*” on page 227 and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Management may be interested to the extent of employee stock options that may be granted to them from time to time under the ILL Employee Stock Option Scheme 2022 and other employee stock option schemes that may be formulated by our Company from time to time.

### **Arrangements and understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been selected as the Key Managerial Personnel of our Company.

### **Service Contracts with Directors and Key Managerial Personnel and Senior Management**

No officer of our Company, including our Directors, the Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### **Retirement benefits**

Except statutory benefits upon superannuation, none of the Key Managerial Personnel and Senior Management is entitled to any benefit upon superannuation.

### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation accrued for Financial Year 2022 and payable to our Directors, Key Managerial Personnel and Senior Management, which does not form a part of their remuneration.

### **Payment or benefit to Key Managerial Personnel and Senior Management**

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel and Senior Management within the two preceding years or is intended to be paid or given.

### **Changes in the Key Managerial Personnel**



Except as disclosed in the section entitled “*Our Management - Changes in the Board in the last three years*” on page 227, the changes in our Key Managerial Personnel and Senior Management in the three immediately preceding years are set forth below.

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Subhash Chand Agrawal	Chief Financial Officer	March 28, 2022	Appointment as the Chief Financial Officer
Sandeep Kumar Agarwal	Company Secretary	February 19, 2022	Appointment as Company Secretary
Urmi Chhapariya	Company Secretary	November 24, 2021	Resignation from the post of Company Secretary
Urmi Chhapariya	Company Secretary	November 02, 2021	Appointment as Company Secretary

#### **Attrition of Key Managerial Personnel**

The attrition of Key Managerial Personnel and Senior Management is not high in our Company as compared to the industry.

#### **Employee Stock Option Scheme**

For details of the ESOP Schemes implemented by our Company, see “*Capital Structure – Employee Stock Option Schemes*” on page 93.

## OUR PROMOTERS AND PROMOTER GROUP



### Our Promoters

The Promoters of our Company are Hardeep Singh and Surmeet Kaur.

As on date of this Red Herring Prospectus, our Promoters, in aggregate, hold 64,999,142 Equity Shares in our Company, representing 100% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share capital held by our Promoters*" on page 95

### Details of our Promoters:

	<p><b>1. Hardeep Singh</b></p> <p>Hardeep Singh, aged 63 years, is one of our Promoters and is also the Chairman and Managing Director on the Board. For a complete profile of Hardeep Singh, i.e., his date of birth, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships, interest in other entities, special achievements, business and financial activities, see "<i>Our Management</i>" on page 223. Other than the entities forming part of the Group Companies and Promoter Group, Hardeep Singh is not involved in other ventures.</p> <p>His permanent account number is AABPS0013J.</p>
	<p><b>2. Surmeet Kaur</b></p> <p>Surmeet Kaur, aged 61 years, is one of our Promoters and is also the Whole-time Director on our Board. For a complete profile of Surmeet Kaur, i.e., her date of birth, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships, interest in other entities special achievements, business and Financial activities, see "<i>Our Management</i>" on page 223. Other than the entities forming part of the Group Companies and Promoter Group, Surmeet Kaur is not involved in other ventures.</p> <p>Her permanent account number is ALNPK4068Q</p>

As on date of this Red Herring Prospectus, neither of our Promoters have a driving license. Our Company confirms that the permanent account numbers, bank account number(s), the passport numbers, Aadhaar card number of each of our Promoters were submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

### Other ventures of our Promoters

Other than as disclosed in "*Entities forming part of our Promoter Group*" below and in section "*Our Management – Other Directorships*" on page 223, our Promoters are not involved in any other ventures.

### Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and shareholding of the members of the Promoter Group in our Company, directly and indirectly, the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, directly or indirectly, from time to time. For details of the shareholding of our Promoters in our Company, please see the section entitled "*Capital Structure*" and "*Our Management – Interests of Directors*" on page 91 and 227 respectively.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their remuneration/fees and reimbursement of expenses, payable to them, if any. For further details, please see the section entitled “*Our Management – Remuneration to Executive Directors*” on page 226.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed below our Promoters do not have any direct or indirect interest in the properties that our Company has taken on lease:

Our Company has entered into the following lease agreements with our Promoters and members of the Promoter Group for lease of property to our Company:

<b>Lessor</b>	<b>Lessee</b>	<b>Relationship</b>	<b>Agreement date</b>	<b>Address of the property</b>	<b>Rent (per month) in ₹ million</b>	<b>Period</b>
Raina Metaltech Private Limited,	IKIO Lighting Limited	Our Promoters Hardeep Singh and Surmeet kaur are directors of Raina MetalTech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.18	11 months
Raina Metaltech Private Limited,	Fine Technologies India Private Limited	Our Promoters Hardeep Singh and Surmeet Kaur are directors of Raina Metaltech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.9	11 months
Raina Metaltech Private Limited,	IKIO Solutions Private Limited	Our Promoters Hardeep Singh and Surmeet Kaur are directors of Raina Metaltech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.018	11 months
Raina Metaltech Private Limited,	Royalux Lighting Private Limited	Our Promoters Hardeep Singh and Surmeet Kaur are directors of Raina Metaltech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.005	11 months
Raina Metaltech Private Limited,	Royalux Exports Private Limited	Our Promoters Hardeep Singh and Surmeet Kaur are directors of Raina Metaltech Private Limited	February 27, 2023	Building No. D-234, Sector 63, Noida - 201301, Uttar Pradesh	0.010	11 months

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

#### **Payment or benefits to Promoters or Promoter Group**

Except in the ordinary course of business and as disclosed in the sections entitled “*Related Party Transactions*” and “*Financial Statements – Notes to Restated Consolidated Financial Information – Note 44 – Related party transactions*” on

pages 405 and 302, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

#### **Disassociation by our Promoters in the last three years**

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Red Herring Prospectus:

<b>Name of the Promoter(s)</b>	<b>Companies or firms with which Promoter(s) have disassociated</b>	<b>Reasons and circumstances of disassociation</b>	<b>Date of disassociation</b>
Hardeep Singh	Royal Life Hostels Private Limited	Resignation on account of being Pre-occupied	October 4, 2021
Hardeep Singh	HKR Hostels Private Limited	Resignation on account of being Pre-occupied	April 19, 2021

#### **Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company**

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

#### **Confirmations**

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters have not been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

#### **Change in the control of our Company**

Our Promoters, Hardeep Singh and Surmeet Kaur are the original Promoters of our Company and there has not been any change in the control of our Company during the last five years preceding the date of this Red Herring Prospectus.

#### **Promoter Group**

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

#### **Individuals forming part of the Promoter Group:**

The individuals forming a part of our Promoter Group are as follows:

<b>Members of the Promoter Group</b>	<b>Relationship with the Promoter</b>
<b>Hardeep Singh</b>	
Surmeet Kaur	Spouse
Ekamdeep Singh	Son
Ishween Kaur	Daughter

<b>Members of the Promoter Group</b>	<b>Relationship with the Promoter</b>
Kulwant Kaur	Mother
Harjeet Singh	Brother
Kuljit Kaur	Sister
Pritpal Singh	Spouse's Father
Harbans Kaur	Spouse's Mother
Inderpreet Singh	Spouse's Brother
Parmeet Kaur	Spouse's Sister
<b>Surmeet Kaur</b>	
Hardeep Singh	Spouse
Ekamdeep Singh	Son
Ishween Kaur	Daughter
Harbans Kaur	Mother
Pritpal Singh	Father
Inderpreet Singh	Brother
Parmeet Kaur	Sister
Kulwant Kaur	Spouse's Mother
Harjeet Singh	Spouse's Brother
Kuljit Kaur	Spouse's Sister

#### **Entities forming part of our Promoter Group:**

The Entities forming part of our Promoter Group are as follows:

<b>S. No.</b>	<b>Name of Promoter Group Entity</b>
1.	Krishna Computech International Private Limited
2.	East West Softec Private Limited
3.	New Line Electrotech Private Limited
4.	Raina Metaltech Private Limited
5.	Inko Technologies
6.	IKIO LED Lighting LLC
7.	S.N. Services
8.	Singh Enterprises
9.	Safe Solutions
10.	Life Tek Solutions

#### **Hindu Undivided Families forming part of the Promoter Group:**

The Hindu Undivided Families forming part of our Promoter Group are as follows:

1. Hardeep Singh – HUF

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the offer document, as covered under applicable accounting standards, and (ii) any other company considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (except subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information included in the offer document, as covered under the applicable accounting standards, shall be considered as ‘Group companies’ of the Company in terms of the SEBI ICDR Regulations.

In addition for the purpose of (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information included in the offer document) shall be considered “material” and will be disclosed as a ‘Group company’ in the offer documents, (a) if it 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 Consolidated Financial Statements are included in this Red Herring Prospectus), (“Test Period”) which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period .

Accordingly, in terms of the Materiality Policy for identification of Group Companies, the Board has identified following companies as our Group Companies:

### Details of our Group Company

#### 1. Raina Metaltech Private Limited

##### *Registered Office*

The registered office of Raina Metaltech Private Limited is situated at J-12/76, Rajori Garden, New Delhi -110027.

##### *Financial Information*

The financial information derived from the audited financial statements of Raina Metaltech Private Limited for the last three financial years i.e. March 31, 2020, March 31, 2021 and March 31, 2022, as required under the SEBI ICDR Regulations, are available on [https://ikio.in/uploads/ipo/raina\\_metaltech/](https://ikio.in/uploads/ipo/raina_metaltech/).

It is clarified that such details available on the websites of our Company do not form part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Company, would be doing so at their own risk.

#### 2. IKIO LED Lighting LLC

##### *Registered Office*

The registered office of IKIO Lighting LLC is situated at 8460, Allison Pointe Boulevard, Suite 128, Indianapolis, Indiana - 46250, United States of America.

##### *Financial Information*

The financial information derived from the financial statements of IKIO LED Lighting LLC for the last three financial years i.e. March 31, 2020, March 31, 2021 and March 31, 2022, as required under the SEBI ICDR Regulations, are available on <https://ikiolighting.com>.

It is clarified that such details available on the websites of our Company do not form part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including the websites of our Group Companies, would be doing so at their own risk.

### **Litigation which has a material impact on our Company**

There is no pending litigation involving our Group Companies which has or will have a material impact on our Company.

### **Nature and extent of interest of Group Companies**

#### ***Interest in the promotion of our Company***

Our Group Company do not have any interest in the promotion of our Company.

#### ***Interest in the properties acquired by our Company in the preceding three years before filing of this Red Herring Prospectus or proposed to be acquired by our Company.***

Our Group Companies are interested in the properties acquired by our Company in the three preceding years before the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

#### ***Interest in transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. Further, Raina Metaltech Private Limited has entered into a lease agreement with our Company in relation to lease of our Corporate Office situated at D – 234, Sector 63, Noida – 201 301, Uttar Pradesh. Details of the lease deed is as follows:

<b>Lessor</b>	<b>Lessee</b>	<b>Agreement date</b>	<b>Address of the property</b>	<b>Rent (per month) in ₹ million</b>	<b>Period</b>
Raina Metaltech Private Limited	IKIO Lighting Limited	February 27, 2023	Building No. D-234, Sector 63, Noida -201301, Uttar Pradesh	0.18	11 months

### **Common pursuits**

There are no common pursuits amongst our Group Companies and our Company or its Subsidiaries. For further details, see “*Restated Consolidated Financial Information - Notes to Restated Consolidated Financial Information- Note 44- Related Party Disclosures (Ind AS 24)*” on page 302. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

### **Related Business Transactions within the group and significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Financial Information – Restated Consolidated Financial Information – Note 44*” on page 302, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

### **Business interests or other interests**

Except in the ordinary course of business and as disclosed in section “*Financial Information – Restated Consolidated Financial Information - Note 44- Related Party Transactions*” on page 302, our Group Companies do not have any business interest in our Company.

### **Other Confirmations**

The equity shares of our Group Companies are not listed on any stock exchange. Our Group Companies have 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 Red Herring Prospectus. For further details, please see the section “*Other Regulatory and Statutory Disclosures- Capital Issues in the preceding three years*” on page 475.

None of the securities of our Group Companies been refused listing by any stock exchange in India or abroad during last ten years, nor have our Group Companies failed to meet the listing requirements of any stock exchange in India or abroad.

There are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds or project cost with our Group Companies.



## DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

Our Company has, by way of a resolution of the Board of Directors dated September 14, 2022, adopted a formal dividend distribution policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see “*Financial Indebtedness*” on page 465. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Further, our Company has not paid any dividend in the Fiscal Years ended March 31, 2020, March 31, 2021 and March 31, 2022 and nine month period ended December 31, 2022, and until the date of this Red Herring Prospectus.

There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see “*Risk Factors – We cannot assure payment of dividend on the Equity Shares in the future*” on page 63.

## SECTION V – FINANCIAL INFORMATION

### RESTATED CONSOLIDATED FINANCIAL INFORMATION

**Independent Auditor’s Examination Report on the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity, Restated Cash- flow Statement, Summary Statement of Significant Accounting Policies and Other Explanatory Information for each of the period ended December 31, 2022, and the years ended March 31, 2022, March 31, 2021, and March 31, 2020.**

To

**The Board of Directors**

**IKIO Lighting Limited** (Formerly Known as IKIO Lighting Private Limited)

411, Arunachal Building, 19 Barakhamba Road,

Connaught Place, New Delhi-110001

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **IKIO Lighting Limited** (Formerly Known as *IKIO Lighting Private Limited*) (the “**Company**” or “**Issuer**”), and its Group Companies/entities which are under common control of the promoter group (The Company and its Group Companies/entities which are under common control of promoter group together referred to as “the Group”) comprising of Restated Consolidated Balance Sheet as at December 31, 2022, March 31, 2022, 2021 and 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and Restated Consolidated Statement of Cash Flows for the period/years ended December 31, 2022, March 31, 2022, 2021 and 2020 and related notes, including a summary of significant accounting policies and other explanatory information (hereinafter referred as ‘**Restated Consolidated Financial Information**’), as approved by the Board of Directors of the Company at their meeting held on May 12, 2023 for the purpose of inclusion in the Red Herring Prospectus (“**RHP**”) and the Prospectus (“**Prospectus**”) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “**Act**”);
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**ICDR Regulations**”); and
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).

#### **Management’s Responsibility for the Restated Consolidated Financial Information**

2. The Company’s Board of Directors is responsible for the preparation of the **Restated Consolidated Financial Information** for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, and the Registrar of Companies, Delhi in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(a) to the Restated Consolidated Financial Information. The Company’s Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the restated consolidated financial information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Regulations, as applicable in connection with the IPO.

#### **Auditors’ Responsibilities**

3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 1 May, 2022 in connection with the proposed IPO of equity shares of the Company;

- b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with SEBI Regulations, as applicable, in connection with the IPO.

#### **Restated Consolidated Financial Information**

- 4. These Restated Consolidated Financial Information have been compiled by the management from:
  - a. Audited Ind AS financial statements of the Group for the period ended December 31, 2022 prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on March 25, 2023. It may be noted that Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited have become subsidiaries of the Company with effect from September 12, 2022 and accordingly, the financial information presented for the period ended December 31, 2022 contains consolidated information of the subsidiaries from September 12, 2022 to December 31, 2022. The period(s) prior to September 12, 2022 that have been mentioned in the Restated Consolidated Financial Information pertain to the Company.
  - b. Audited Ind AS financial statements of the Company for the year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 22, 2022. The comparative information for the year ended March 31, 2021 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards, notified under the Section 133 of the Act ("**Indian GAAP**") which was approved by the Board of Directors at their meeting held on November 29, 2021.
  - c. The audited special purpose Ind AS financial statements as at and for the year ended March 31, 2020 prepared on the basis as described in Note 2(i) to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on June 22, 2022.
  - d. The audited special purpose financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited, have been are prepared for the sole purpose of using the financial statements in preparation of "**Restated Consolidated Financial Information**" of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). These special purpose financials have been drawn under Ind AS, as required for the purpose of presenting the Restated Consolidated Financial Information in Red Herring Prospectus (RHP) of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). These special purpose audited financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited have been approved by the respective Board of Directors/ Management at their respective meetings held on March 23, 2023, March 23, 2023, March 25, 2023 and March 23, 2023.

#### **Auditors' Report**

- 5. For the purpose of our examination, we have relied on:
  - a. Auditors' report issued by us dated March 25, 2023 on the financial statements of the Group as at and for the period ended December 31, 2022.
  - b. Auditors' report issued by us dated June 22, 2022 on the financial statements of the Company as at and for the year ended March 31, 2022 which included the comparative numbers for the year ended March 31, 2021 as referred in Paragraph 4 above;

- c. Auditors' report issued by us dated June 22, 2022 on the special purpose Ind AS Financial statements as at and for the year ended March 31, 2020 as referred in Paragraph 4 above.
- d. For the purpose of Special purpose audit report referred in para 5(b) above, we have relied on Auditors' Report issued by the previous auditors dated December 18, 2020 on the financial statements of the Company as at and for the year ended March 31, 2020.

The statutory audit under section 143 (10) of the Act for the financial year ended March 31, 2020 was conducted by the Company's previous auditors, M/s. Shiv Saroj & Associates, Chartered Accountants ("**the Previous Auditors**").

### **Auditors' Opinion**

6. Based on our examination and according to the information and explanations given to us and based on the para 4 above, we report that the Restated Consolidated Financial Information:
  - a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022, 2021 and 2020 and the period ended December 31, 2022.
  - b. have been prepared in accordance with the Act, ICDR Regulations and the guidance note, as applicable.
  - c. There were no qualifications in auditor's report on the audited financial statements of the Company for the financial years ended March 31, 2022, 2021 and 2020 and the period ended December 31, 2022 which require any adjustments to the restated consolidated financial information.
7. 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.
8. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements / audited special purpose Ind AS financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India, BSE Limited and National Stock exchange of India Limited and the Registrar of Companies, Delhi in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 003304N/N500056

**Pranav Jain**

Partner

Membership No. 098308

UDIN: 23098308BGVLQF1275

Date: May 12, 2023

Place: Noida

**Statement of restated assets and liabilities**

	Note	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	303.38	168.45	153.93	149.97
Capital work-in-progress	4	214.94			
Goodwill		4.94			
Intangible assets	5	0.46	0.46	0.50	1.03
Right of use of assets	6	339.41	3.36	-	-
<b>Financial assets</b>					
(i) Other financial assets	7	10.11	1.63	0.86	0.77
Deferred tax assets (net)	8	6.97	4.15	4.11	1.38
Non Current tax asset (Net)	9	0.77	2.10	2.10	0.13
Other non-current assets	10	22.34	8.66	1.34	0.39
		<b>903.32</b>	<b>188.81</b>	<b>162.84</b>	<b>153.67</b>
<b>Current assets</b>					
Inventories	11	1,253.64	562.35	315.97	169.44
Financial assets					
(i) Trade receivables	12	731.93	259.69	156.38	46.40
(ii) Cash and cash equivalents	13	13.42	6.50	1.93	66.04
(iii) Bank balances other than cash and cash equivalents	14	12.27	-	0.01	0.49
(iv) Other Financial Asset	15	3.56	1.09	1.09	0.87
Other current assets	16	294.75	107.63	102.79	72.89
<b>Total current assets</b>		<b>2,309.57</b>	<b>937.26</b>	<b>578.17</b>	<b>356.13</b>
<b>Total</b>		<b>3,212.89</b>	<b>1,126.07</b>	<b>741.01</b>	<b>509.80</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	17	650.00	250.00	0.50	0.50
Other equity	18	616.15	514.41	482.66	276.02
		<b>1,266.15</b>	<b>764.41</b>	<b>483.16</b>	<b>276.52</b>
<b>Non-current liabilities</b>					
Financial liabilities					
(i) Borrowings	19	210.49	11.08	20.88	26.57
(ii) Lease liabilities	20	76.80	1.91	-	-
Provisions	21	21.07	7.83	5.33	3.62
		<b>308.36</b>	<b>20.82</b>	<b>26.21</b>	<b>30.19</b>
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings	22	1,152.78	147.22	28.72	51.20
(ii) Lease liabilities	23	12.67	1.40	-	-
(iii) Trade payables	24				
- total outstanding dues of micro and small enterprises; and		100.18	34.20	16.01	0.78
- total outstanding dues of creditors other than micro and small enterprises		207.93	106.07	159.39	137.77
(iv) Other financial liabilities	25	85.80	30.51	16.09	10.64
Other current liabilities	26	48.30	4.13	9.74	2.60
Provisions	27	2.98	4.46	1.69	0.10
Current Tax Liabilities (net)	28	27.74	12.85	-	-
<b>Total current liabilities</b>		<b>1,638.38</b>	<b>340.84</b>	<b>231.64</b>	<b>203.09</b>

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
Restated Consolidated Financial Information

*All amounts in ₹ million unless otherwise stated.*

	Note	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Total liabilities</b>		<b>1,946.74</b>	<b>361.66</b>	<b>257.85</b>	<b>233.28</b>
<b>Total equity and liabilities</b>		<b>3,212.89</b>	<b>1,126.07</b>	<b>741.01</b>	<b>509.80</b>

Summary of significant accounting policies are at Notes 1& 2

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants  
ICAI Firm Registration No.:  
003304N/N500056

**Pranav Jain**

Partner  
Membership No. 098308

Place: Noida  
Date: 12th May, 2023

**For and on behalf of the Board of Directors of IKIO Lighting Limited**

**Hardeep Singh**

Managing Director  
DIN: 00118729

Place: Noida  
Date: 12th May, 2023

**Subhash Agrawal**  
CFO

Place: Noida  
Date: 12th May, 2023

**Surmeet Kaur**

Whole Time Director  
DIN: 00118695

Place: Noida  
Date: 12th May, 2023

**Sandeep Agarwal**  
Company Secretary  
M. No.: 066255

Place: Noida  
Date: 12th May, 2023

**Statement of restated Profit and Loss**

Particulars	Note	Period ended	Year ended	Year ended	Year ended
		December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Income</b>					
Revenue from operations	29	2,407.21	2,198.95	1,596.63	1,406.48
Other income	30	24.57	8.24	3.76	0.84
<b>Total income (I)</b>		<b>2,431.78</b>	<b>2,207.19</b>	<b>1,600.39</b>	<b>1,407.32</b>
<b>Expenses</b>					
Cost of materials consumed	31	1,586.71	1,523.50	1,052.30	954.01
Change in inventories	32	(9.13)	(68.06)	7.32	(10.39)
Employee benefits expenses	33	206.30	263.82	194.40	162.32
Finance costs	34	27.01	5.34	5.61	20.92
Depreciation and amortisation expenses	35	30.84	24.47	24.60	22.44
Other expenses	36	124.91	78.19	39.79	37.17
<b>Total expenses (II)</b>		<b>1,966.64</b>	<b>1,827.26</b>	<b>1,324.02</b>	<b>1,186.47</b>
Profit Before exceptional item and tax		<b>465.14</b>	<b>379.93</b>	<b>276.37</b>	<b>220.85</b>
Prior period expenses / (income)/(Net)		0.00	0.00	0.00	0.00
<b>Profit before tax</b>		<b>465.14</b>	<b>379.93</b>	<b>276.37</b>	<b>220.85</b>
<b>Tax Expenses</b>					
Current tax		118.57	99.11	73.58	60.50
Deferred tax charge/ (credit)		0.81	(0.42)	(3.01)	(2.20)
Related to Earlier Years		(0.06)	1.14	-	2.62
		<b>119.32</b>	<b>99.83</b>	<b>70.57</b>	<b>60.92</b>
<b>Profit after tax</b>		<b>345.82</b>	<b>280.10</b>	<b>205.80</b>	<b>159.93</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
- Remeasurement of defined benefit plans		1.00	1.53	1.13	(0.04)
- Income tax relating to these items		(0.32)	(0.38)	(0.29)	-
<b>Other comprehensive income for the period/year, net of tax</b>		<b>0.68</b>	<b>1.15</b>	<b>0.84</b>	<b>(0.04)</b>
<b>Total comprehensive income for the period/year</b>		<b>346.50</b>	<b>281.25</b>	<b>206.64</b>	<b>159.89</b>
<b>Earnings per equity share (in Rs)</b>					
Nominal value of ₹ 10 each (previous year ₹ 10 each)					
-Basic Earnings per Share	37	5.32	11.20	8.23	6.40
-Diluted Earnings per Share	37	5.32	11.20	8.23	6.40
Summary of significant accounting policies	1 & 2				
Earnings per equity share (in Rs.): [Based on paid-up capital after giving effect to Bonus issue]*					
Nominal value of Rs. 10 each (previous year Rs. 10 each)					
-Basic diluted earnings per share	37	5.32	4.31	3.17	2.46
-Diluted earnings per share	37	5.32	4.31	3.17	2.46

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants  
ICAI Firm Registration No.:  
003304N/N500056

**Pranav Jain**

Partner  
Membership No. 098308

Place: Noida

Date: 12th May, 2023

**For and on behalf of the Board of Directors of IKIO Lighting Limited**

**Hardeep Singh**

Managing Director  
DIN: 00118729

Place: Noida

Date: 12th May, 2023

**Subhash Agrawal**

CFO

Place: Noida

Date: 12th May, 2023

**Surmeet Kaur**

Whole Time Director  
DIN: 00118695

Place: Noida

Date: 12th May, 2023

**Sandeep Agarwal**

Company Secretary  
M. No.: 066255

Place: Noida

Date: 12th May, 2023



**Statement of restated Cash Flows**

Particular	Period ended	Year ended	Year ended	Year ended
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>				
Net profit before tax	465.14	379.93	276.37	220.85
<b>Adjustments for:</b>				
Depreciation and amortisation	30.85	24.47	24.60	22.44
Income other than operating income	(0.52)	(0.02)	(0.46)	(0.13)
Finance cost	27.01	5.34	5.61	20.92
Interest Income	(0.25)			
(Profit)/loss on sale of property, plant & equipment	(0.10)	(0.15)	1.98	(0.09)
Foreign currency gain & Loss	0.17			
Balances Written Off	(3.35)	-	0.21	-
Provision for Expected credit Loss	0.85			
Other Comprehensive Income	-	-	-	(0.04)
<b>Operating profit before working capital changes</b>	<b>519.80</b>	<b>409.57</b>	<b>308.31</b>	<b>263.94</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	2.20	(246.38)	(146.53)	(85.41)
Trade receivables	(26.95)	(103.31)	(110.19)	38.76
Other financial assets	(18.93)	(0.76)	(0.32)	(1.00)
Other assets	(96.87)	(4.72)	(30.05)	(42.93)
<b>Adjustment for increase / (decrease) in operating liabilities:</b>				
Trade payables	(13.01)	(35.13)	36.86	35.42
Other financial liabilities	38.91	14.42	5.40	1.09
Other current liabilities	(43.16)	(5.61)	7.14	2.60
Provisions	(0.48)	6.79	4.43	2.45
<b>Cash generated from operations</b>	<b>361.51</b>	<b>34.87</b>	<b>75.05</b>	<b>214.92</b>
Taxes and interest thereon paid	(166.09)	(87.40)	(75.54)	(82.82)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>195.42</b>	<b>(52.53)</b>	<b>(0.49)</b>	<b>132.11</b>
<b>B. Cash flow from investing activities:</b>				
(Purchase)/Sale of PPE/ Intangible/ Rou Assets / CWIP	(94.18)	(45.59)	(30.83)	(38.78)
(Purchase)/Sale of Investments	(319.34)	-	-	-
Loan given to Subsidiaries		-	-	-
Movement in Bank Deposits	1.57	0.01	0.48	(0.13)
Interest income	1.25	0.02	0.46	0.13
<b>Net cash used in investing activities (B)</b>	<b>(410.70)</b>	<b>(45.56)</b>	<b>(29.89)</b>	<b>(38.78)</b>
<b>C. Cash flow from financing activities:</b>				
Net (decrease)/increase in long term borrowings from banks	(7.06)	(9.80)	(5.69)	(63.69)

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
Restated Consolidated Financial Information

*All amounts in ₹ million unless otherwise stated.*

Particular	Period ended	Year ended	Year ended	Year ended
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net increase/(decrease) in short term borrowings from banks	184.41	118.50	(22.48)	38.23
Net increase in short term borrowings from directors	52.82			
Payment of lease liabilities (refer reconciliation)	(6.81)	(0.89)	-	-
Interest Paid	(25.57)	(5.15)	(5.56)	(20.92)
<b>Net cash generated from financing activities (C)</b>	<b>197.79</b>	<b>102.66</b>	<b>(33.73)</b>	<b>(46.38)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(17.47)</b>	<b>4.57</b>	<b>(64.11)</b>	<b>46.95</b>
<b>Cash and cash equivalents (refer to note 14)</b>				
-at beginning of the period/year	30.89	1.93	66.04	19.09
-at end of the period/year	<b>13.42</b>	<b>6.50</b>	<b>1.93</b>	<b>66.04</b>
<b>Notes to cash flow statement</b>				
<b>(i) Cash and cash equivalents comprise</b>				
Balances with banks:				
– On current accounts	9.39	6.25	1.70	65.82
Cash on hand	4.03	0.25	0.23	0.22
	<b>13.42</b>	<b>6.50</b>	<b>1.93</b>	<b>66.04</b>

(ii) The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

(iii) Notes to the Financials Statements are integral part of the Cash Flow Statement.

As per our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 003304N/N500056

**For and on behalf of the Board of Directors of**

**IKIO Lighting Limited**

**Pranav Jain**

Partner

Membership No. 098308

Place: Noida

Date: 12th May, 2023

**Hardeep Singh**

Managing Director

DIN: 00118729

Place: Noida

Date: 12th May, 2023

**Surmeet Kaur**

Whole Time Director

DIN: 00118695

Place: Noida

Date: 12th May, 2023

**Subhash Agrawal**

CFO

Place: Noida

Date: 12th May, 2023

**Sandeep Agarwal**

Company Secretary

M. No.: 066255

Place: Noida

Date: 12th May, 2023

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
Restated Consolidated Financial Information

*All amounts in ₹ million unless otherwise stated.*

**A. Equity Share Capital\*\***

<b>Balance as at April 01,2019</b>	<b>0.50</b>
Change in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>0.50</b>
Change in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>0.50</b>
Change in equity share capital during the year	-
Issue of Bonus Shares during the period	249.50
<b>Balance as at March 31, 2022</b>	<b>250.00</b>
Change in equity share capital during the period	-
Issue of Bonus Shares during the period	400.00
<b>Balance as at December 31,2022</b>	<b>650.00</b>

**B. Other Equity\*\***

Particulars	Attributable to Owners of the Company			Remeasurement of defined benefit plans	Total attributable to owners of the company
	Reserve & Surplus				
	Equity Component	Retained Earnings	Capital Reserve		
Balance as at April 01, 2019		116.13		-	116.13
Profit for the year	-	159.93		-	159.93
Other comprehensive Income	-	-		(0.04)	(0.04)
Total Comprehensive Income	-	159.93		(0.04)	159.89
Issue of Bonus Share	-	-		-	-
Transfer to general reserve	-	-		-	-
Transfer from Retained earnings	-	-		-	-
Other comprehensive Income	-	-		-	-
Balance as at March 31, 2020		276.06		(0.04)	276.02
Profit for the year	-	205.79		-	205.79
Other comprehensive Income	-	-		0.84	0.84
Total Comprehensive Income	-	205.79		0.84	206.64
Issue of Bonus Share	-	-		-	-
Transfer to general reserve	-	-		-	-
Transfer from Retained earnings	-	-		-	-
Other comprehensive Income	-	-		-	-
Balance as at March 31, 2021	-	481.86		0.80	482.66
Profit for the year	-	280.10		1.15	281.25
Other comprehensive Income	-	-		-	-
Total Comprehensive Income	-	280.10		1.15	281.25
Issue of Bonus Share	-	(249.50)		-	(249.50)
Transfer to general reserve	-	-		-	-
Transfer from Retained earnings	-	-		-	-
Other comprehensive Income	-	-		-	-
Balance as at March 31, 2022	-	512.46	-	1.95	514.41
Profit for the period	-	345.82		-	345.82
Other comprehensive Income	-	-		0.68	0.68
Capital Reserve created on acquisition of subsidiaries			155.24		155.24
Total Comprehensive Income	-	345.82	155.24	0.68	501.74
Issue of Bonus Share	-	(400.00)	-	-	(400.00)
Transfer to general reserve	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-
Other comprehensive Income	-	-	-	-	-
Balance as at December 31,2022	-	458.28	155.24	2.63	616.15

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
Restated Consolidated Financial Information

*All amounts in ₹ million unless otherwise stated.*

**For BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 003304N/N500056

**Pranav Jain**

Partner

Membership No. 098308

Place: Noida

Date: 12th May, 2023

**For and on behalf of the Board of Directors of**

**IKIO Lighting Limited**

**Hardeep Singh**

Managing Director

DIN: 00118729

Place: Noida

Date: 12th May, 2023

**Surmeet Kaur**

Whole Time Director

DIN: 00118695

Place: Noida

Date: 12th May, 2023

**Subhash Agrawal**

CFO

Place: Noida

Date: 12th May, 2023

**Sandeep Agarwal**

Company Secretary

M. No.: 066255

Place: Noida

Date: 12th May, 2023

## **Background**

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) and Companies/entity under common control of promoter (collectively referred to as “the Group”) is a company domiciled in India, with its registered office situated at Delhi. The Company was incorporated in India on March 21, 2016. Subsequent to the year end, the Company has received approval from the Ministry of Corporate Affairs on April 18, 2022, for the change of name from IKIO Lighting Private Limited to IKIO Lighting Limited. The Group is a leading manufacturer of LED Lighting in India.

### **1. Basis of preparation**

#### **(i) Statement of compliance:**

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Group’s financial statements up to and for the year ended March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act as per IGAAP (“Previous GAAP”).

The Group control an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-Group transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated financial statements of the Group are prepared for the purpose of inclusion in relevant documents in connection with proposed Initial Public Offering of the Company.

These Ind AS consolidated financial statements were authorised for issue by the Company’s Board of Directors on June 22, 2022.

The significant accounting policies adopted in the preparation of these financial statements are included in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accompanying Consolidated financial statements reflect the results of the activities undertaken by the Group during the period April 01, 2022 to December 31, 2022.

#### **(ii) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Group have ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

#### **(iii) Functional and presentation currency**

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Group’s functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

#### **(iv) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations.

## **Use of estimates and judgements**

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note no 40: leases: whether an arrangement contains a lease;
- Note no 48: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended December 31, 2022 is included in the following notes:

- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 3 & 5: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note no 5: measurement of useful lives of intangible assets;
- Note no 51: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note no 38: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no. 43: measurement of defined benefit obligations : key actuarial assumptions ;
- Note no 48: Fair value measurement of financial instruments and impairment of financial assets.

#### **(v) Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2. Summary of significant accounting policies**

### **a) Revenue**

In recognising revenue, the Group applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Group earns revenue from sales of LED lighting and other related products

#### Revenue from sale of LED lighting

Revenue from Sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

#### **Use of significant judgements in revenue recognition: -**

- The performance obligation is satisfied upon delivery of the goods.
- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company/Entity delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.
- Contract fulfilment costs are expensed as incurred.

#### Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

#### Other income

In respect of other heads of income, the Group follows the practice of recognising income on accrual basis.

### **b) Property, plant and equipment**

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

#### Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

#### Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Particulars	Useful lives (in years)
<b>Tangible assets:</b>	
Building	60
Furniture and fixtures	8-10
Plant & Machinery	15
Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

#### **c) Intangible assets**

##### Other intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

##### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the written down value method and is included in depreciation and amortisation expense in the statement of profit and loss.



The useful lives of intangible assets are as follows:

<b>Intangible assets:</b>	<b>Useful lives (in years)</b>
Software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

#### **d) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

#### **e) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **f) Financial instruments**

##### **i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

##### **ii. Classification and subsequent measurement**

###### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group assess the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### *Financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

#### Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

### **iii. Offsetting**

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **iv. Derecognition**

#### *Financial assets*

The Group derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enter into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### *Financial liabilities*

The Group derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

### **v. Impairment of financial instruments:**

The Group recognise loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Group assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assume that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Group consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**g) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

**h) Employee Benefits**

**Short term employee benefits:**

Short term employee benefit obligations are measured on an undiscounted basis and are expenses off as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

**Long term employee benefits**

***Defined contribution plan: Provident fund***

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Group has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

***Defined Benefit Plan: Gratuity***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group provide for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Group's determine the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

***Other long-term benefits: Compensated absences***

Benefits under the Group's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method, done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

**i) Income tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

**j) Contingent Liability, Contingent Asset and Provisions**

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not

probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

### **Contingent assets**

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

### **Provisions**

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

### **k) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

### **l) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

### **m) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.
3. Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 42 for segment information.

### **n) Leases**

### **Company/Entities as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company/Entities as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group are an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.



### 3. Property, Plant and Equipment

Period ended December 31, 2022

Description	Gross Block					Accumulated depreciation					Net Block
	As at April, 01, 2022	Additions from subsidiaries on the date of Acquisition	Addition during the period	Disposal / Adjustment	As at December 31,2022	As at April, 01, 2022	Additions from subsidiaries on the date of Acquisition	For the period	Disposal / Adjustment	As at December 31,2022	As at December 31,2022
Building	33.76	-	-	-	33.76	5.63		2.01	-	7.64	26.12
Computer	0.26	3.06	1.22	-	4.54	0.14	1.70	0.40	-	2.24	2.30
Plant & machinery	115.08	98.06	48.18	4.16	257.16	26.55	20.73	17.62	1.04	63.85	193.31
Land	36.68		-	-	36.68	-		-	-	-	36.68
Furniture & fixtures	0.24	5.17	0.35	-	5.75	0.11	1.15	0.25	-	1.51	4.24
Vehicles	22.91	15.82	10.47	-	49.20	9.94	4.10	3.93	-	17.97	31.23
Office equipment	3.48	7.01	2.88	-	13.38	1.59	1.53	0.76	-	3.88	9.50
	<b>212.41</b>	<b>129.12</b>	<b>63.10</b>	<b>4.16</b>	<b>400.47</b>	<b>43.96</b>	<b>29.21</b>	<b>24.97</b>	<b>1.04</b>	<b>97.09</b>	<b>303.38</b>

#### 2021-22

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	As at Mar 31, 2022
Building	33.76	-	-	33.76	2.68	2.95	-	5.63	28.13
Computer	0.12	0.14	-	0.26	0.07	0.07	-	0.14	0.12
Plant & machinery	78.36	36.86	0.14	115.08	13.09	13.52	0.06	26.55	88.53
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	0.06	0.05	-	0.11	0.13
Vehicles	22.56	0.35	-	22.91	4.05	5.89	-	9.94	12.97
Office equipment	2.79	0.76	0.07	3.48	0.63	0.96	0.00	1.59	1.89
	<b>174.51</b>	<b>38.11</b>	<b>0.21</b>	<b>212.41</b>	<b>20.58</b>	<b>23.44</b>	<b>0.06</b>	<b>43.96</b>	<b>168.45</b>

#### 2020-21

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
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*All amounts in ₹ million unless otherwise stated.*

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	As at Mar 31, 2021
Building	33.76	-	-	33.76	-	2.68	-	2.68	31.08
Computer	0.10	0.02	-	0.12	-	0.07	-	0.07	0.05
Plant & machinery	52.15	27.18	0.97	78.36	-	13.43	0.34	13.09	65.27
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	0.24	-	-	0.24	-	0.06	-	0.06	0.18
Vehicles	26.07	3.99	7.50	22.56	-	7.05	3.00	4.05	18.51
Office equipment	0.97	1.85	0.03	2.79	-	0.65	0.02	0.63	2.16
	<b>149.97</b>	<b>33.04</b>	<b>8.50</b>	<b>174.51</b>	-	<b>23.94</b>	<b>3.36</b>	<b>20.58</b>	<b>153.93</b>

**2019-20**

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at Mar 31, 2020	As at Mar 31, 2020
Building	37.85	0.10	-	37.95	-	4.19	-	4.19	33.76
Computer	0.60	0.72	-	1.32	-	1.22	-	1.22	0.10
Plant & machinery	46.40	16.05	0.82	61.63	-	9.48	-	9.48	52.15
Land	36.68	0.00	-	36.68	-	0.00	-	0.00	36.68
Furniture & fixtures	0.33	0.00	-	0.33	-	0.08	-	0.08	0.25
Vehicles	11.32	20.92	-	32.24	-	6.17	-	6.17	26.07
Office equipment	1.39	0.27	-	1.66	-	0.70	-	0.70	0.96
	<b>134.57</b>	<b>38.06</b>	<b>0.82</b>	<b>171.81</b>	-	<b>21.84</b>	-	<b>21.84</b>	<b>149.97</b>

**Footnote:**

- There are no impairment losses recognised during the period ended December 31, 2022 and year ended March 31, 2022 March 31, 2021 and March 31, 2020.
- There are no exchange differences adjusted in Property, plant & equipment.
- Refer note no 38 for capital commitments.
- The Company has not carried out any revaluation of property, plant and equipment for the period ended December 31, 2022 and year ended March 31, 2022 March 31, 2021 and March 31, 2020.
- Refer note no 19 and 22 regarding hypothecation/pledge of Property, Plant and Equipment against the borrowings from banks.

#### 4. Capital work-in-progress

Capital work-in-progress	As at December 31,2022
<b>Opening balance</b>	
<b>Additions from subsidiaries on the date of Acquisition</b>	-
<b>Addition during the period:</b>	180.94
Preliminary Expenses	-
Building under construction	13.10
Interest Expense	-
Balance with government authorities	20.90
<b>Capitalised during the period:</b>	
Plant and machinery	-
Office Equipment	-
<b>Balance at the end</b>	<b>214.94</b>

Ageing schedule for capital work-in-progress as at December 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	121.25	52.90	39.23	1.56	214.94
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>121.25</b>	<b>52.90</b>	<b>39.23</b>	<b>1.56</b>	<b>214.94</b>

There is no Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly no disclosures are required.

## 5. Intangible assets

Description	Gross Block					Accumulated depreciation					Net Block
	As at April, 01, 2022	Additions from subsidiaries on the date of Acquisition	Addition during the period	Disposal / Adjustment	As at December 31,2022	As at April, 01, 2022	Additions from subsidiaries on the date of Acquisition	For the period	Disposal / Adjustment	As at December 31,2022	As at December 31,2022
Computer Software	1.46	0.19	0.23	-	1.88	1.00	0.16	0.26	-	1.42	0.46
	<b>1.46</b>		<b>0.23</b>	-	<b>1.88</b>	<b>1.00</b>	<b>0.16</b>	<b>0.26</b>	-	<b>1.42</b>	<b>0.46</b>

### 2021-22

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	As at Mar 31, 2022
Computer software	1.16	0.30	-	1.46	0.66	0.34	-	1.00	0.46
	<b>1.16</b>	<b>0.30</b>	-	<b>1.46</b>	<b>0.66</b>	<b>0.34</b>	-	<b>1.00</b>	<b>0.46</b>

### 2020-21

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	As at Mar 31, 2021
Computer software	1.03	0.13	-	1.16	-	0.66	-	0.66	0.50
	<b>1.03</b>	<b>0.13</b>	-	<b>1.16</b>	-	<b>0.66</b>	-	<b>0.66</b>	<b>0.50</b>

### Previous year 2019-20

Description	Gross block (at cost)				Accumulated depreciation				Net block
	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at Mar 31, 2020	As at Mar 31, 2020
Computer software	-	1.63	0.00	1.63	-	0.60	-	0.60	1.03
	<b>0.00</b>	<b>1.63</b>	<b>0.00</b>	<b>1.63</b>	<b>0.00</b>	<b>0.60</b>	<b>0.00</b>	<b>0.60</b>	<b>1.03</b>

- (i) There are no internally generated intangible assets.  
(ii) The group has not carried out any revaluation of intangible assets for the period ended December 31, 2022 and year ended March 31, 2022 March 31, 2021 and March 31, 2020.  
(iii) There are no other restriction on title of intangible assets other than as already disclosed.  
(iv) There are no exchange differences adjusted in intangible assets.  
(v)The group have not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.

## 6. Right-of-use assets

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*All amounts in ₹ million unless otherwise stated.*

Reconciliation of carrying value	Amount
<b>Gross carrying amount as at April 01, 2019</b>	
Opening Balance	-
Addition during the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing Gross carrying amount as at March 31, 2020</b>	-
Opening Balance	-
Addition during the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing Gross carrying amount as at March 31, 2021</b>	-
Opening Balance	-
Addition during the year	4.05
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount March 31, 2022</b>	4.05
Additions from subsidiaries on the date of Acquisition	381.00
Addition during the period	1.80
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount December 31,2022</b>	386.85
<b>Accumulated amortisation &amp; impairment</b>	-
Opening balance	-
Amortisation for the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as at March 31, 2020</b>	-
<b>Accumulated amortisation &amp; impairment</b>	-
Opening balance	-
Amortisation for the year	-
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as at March 31, 2021</b>	-
<b>Accumulated amortisation &amp; impairment</b>	-
Opening balance	-
Amortisation for the year	0.69
Reversal due to closure of lease agreement (Refer footnote)	-

Reconciliation of carrying value	Amount
Closing accumulated amortisation & impairment as at March 31, 2022	0.69
<b>Accumulated amortisation &amp; impairment</b>	
Accumulated amortization & impairment of subsidiaries on the date of Acquisition	41.15
Amortisation for the period	5.60
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as at December 31,2022</b>	<b>47.44</b>
Net carrying amount as at March 31, 2020	-
Net carrying amount as at March 31, 2021	-
Net carrying amount as at March 31, 2022	3.36
Net carrying amount as at December 31,2022	339.41

i) During the period ended December 31 ,2022 and year ended March 31, 2022 March 31,2021 March 31,2020 the company recognised right of use assets as per Ind AS 116 Leases (Refer note no 40).

#### 7. Other Financial Assets

	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Security deposit	10.06	1.58	0.81	0.72
Fixed Deposit	0.05	0.05	0.05	0.05
	<b>10.11</b>	<b>1.63</b>	<b>0.86</b>	<b>0.77</b>

#### 8. Deferred tax assets

	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Deferred tax assets	6.97	4.15	4.11	1.38
	<b>6.97</b>	<b>4.15</b>	<b>4.11</b>	<b>1.38</b>

#### 9. Other non-current tax assets

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Income tax refundable( Net of Cumulative Provision for Tax of Current period )	0.77	2.10	2.10	0.13
	<b>0.77</b>	<b>2.10</b>	<b>2.10</b>	<b>0.13</b>

#### 10. Other non-current assets

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Balance with government authorities	18.73	0.39	0.39	0.39
Capital Advances	2.84	8.27	0.80	-
Prepaid rent	0.03	-	0.03	-

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*All amounts in ₹ million unless otherwise stated.*

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Prepaid expenses	0.66	-	0.12	-
Prepaid Lease Rent	0.08			
	<b>22.34</b>	<b>8.66</b>	<b>1.34</b>	<b>0.39</b>

**11. Inventories**

	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Valued at lower of cost and net realisable value, unless otherwise stated</b>				
Raw materials	928.63	462.15	276.20	131.36
Work-in-progress	214.55	79.81	25.31	22.88
Finished goods	103.88	19.01	5.44	15.20
Other	-			
(i) Stock in transit	6.58	1.38	9.20	-
	<b>1,253.64</b>	<b>562.35</b>	<b>315.97</b>	<b>169.44</b>

Inventories are pledged as security for borrowings taken from bank (refer note no 19 and 22 )

**12. Trade receivables**

	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>				
Considered good	672.63	249.93	139.29	45.30
Having significant increase in credit risk	70.44	10.06	18.01	1.10
Less: provision for the expected credit loss	(11.14)	(0.30)	(0.92)	-
	<b>731.93</b>	<b>259.69</b>	<b>156.38</b>	<b>46.40</b>

**Footnote:**

**Ageing Schedule for Trade Receivables- December 31, 2022**

Particulars	Outstanding as at December 31,2022 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	211.79	425.88	-	-	-	-	637.67
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	31.84	63.00	6.21	4.35	-	105.40
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>211.79</b>	<b>457.72</b>	<b>63.00</b>	<b>6.21</b>	<b>4.35</b>	<b>-</b>	<b>743.07</b>

**Ageing Schedule for Trade Receivables- March 31, 2022**

Particulars	Outstanding as at March 31, 2022 from due date of payment						Total
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	249.93	-	-	-	-	-	<b>249.93</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	9.24	0.31	0.28	0.23	-	<b>10.06</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	(0.07)	(0.05)	(0.07)	(0.11)	-	<b>(0.30)</b>
<b>Total</b>	<b>249.93</b>	<b>9.17</b>	<b>0.26</b>	<b>0.21</b>	<b>0.12</b>	-	<b>259.69</b>

**Ageing Schedule for Trade Receivables- March 31, 2021**

Particulars	Outstanding as at March 31, 2021 from due date of payment						Total
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	139.29	-	-	-	-	-	<b>139.29</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	17.29	0.65	0.07	-	-	<b>18.01</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	(0.80)	(0.10)	(0.02)	-	-	<b>(0.92)</b>
<b>Total</b>	<b>139.29</b>	<b>16.49</b>	<b>0.55</b>	<b>0.05</b>	-	-	<b>156.38</b>

**Ageing Schedule for Trade Receivables- April 01, 2020**

Particulars	Outstanding as at April 01, 2020 from due date of payment						Total
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	45.30	-	-	-	-	-	<b>45.30</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	1.10	-	-	-	-	<b>1.10</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
Less: provision for the expected credit loss	-	-	-	-	-	-	-
<b>Total</b>	<b>45.30</b>	<b>1.10</b>	-	-	-	-	<b>46.40</b>

The Company has measured expected credit loss of trade receivable based on simplified approach as per Ind AS 109 - Financial Instrument

1. For explanation on the Company credit risk management process, refer note 48.
2. Trade receivables are non-interest bearing.



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*All amounts in ₹ million unless otherwise stated.*

**13. Cash and cash equivalents**

	As at			
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Balances with banks				
-On current accounts	9.39	6.25	1.70	65.82
-Cash on hand	4.03	0.25	0.23	0.22
	<b>13.42</b>	<b>6.50</b>	<b>1.93</b>	<b>66.04</b>

For explanation on the Company credit risk management process, (refer note 48)

**14. Bank balances other than cash and cash equivalents**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Fixed deposit maturity period more than 3 months but less than 12 months	12.27	-	0.01	0.49
		-	<b>0.01</b>	<b>0.49</b>

For explanation on the Company credit risk management process, (refer note 48)

**15. Other current financial assets**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Security deposit	2.93	1.09	1.09	0.10
Interest accrued	0.48	-	-	-
Insurance Claim	-	-	-	0.77
TDS recoverable	0.15	-	-	-
	<b>3.56</b>	<b>1.09</b>	<b>1.09</b>	<b>0.87</b>

For explanation on the Company risk management process (refer note 48)

**16. Other current assets**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Prepaid expense	1.91	1.59	2.08	0.81
Advances to supplier	204.22	42.27	51.96	21.36
Advance salary & wages	0.55	0.31	0.16	0.11
Other assets		-		10.06
Prepaid lease	0.69	-	0.01	
Balance with government authorities	29.29	63.46	48.58	40.55
IPO Expenditure	58.09	-		
	<b>294.75</b>	<b>107.63</b>	<b>102.79</b>	<b>72.89</b>

**17. Equity share capital**

a. The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
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	Number	Amount	Number	Amount	Number	Amount	Number	Amount
<b>Authorised Shares</b>								
Equity shares of 10 each	100000000	1,000.00	100000000	1,000.00	50000	0.50	50000	0.50
	<b>100000000</b>	<b>1,000.00</b>	<b>100000000</b>	<b>1,000.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>
<b>Issued, subscribed and fully paid-up shares</b>								
Equity shares of 10 each	65000000	650.00	25000000	250.00	50000	0.50	50000	0.50
	<b>65000000</b>	<b>650.00</b>	<b>25000000</b>	<b>250.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Equity Shares	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	25000000	250.00	50000	0.50	50000	0.50	50000	0.50
Add : Issue of Bonus Shares	40000000	400.00	24950000	249.50	0	-	0	-
<b>Shares outstanding at the end of the year</b>	<b>65000000</b>	<b>650.00</b>	<b>25000000</b>	<b>250.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>

**c. Terms/rights attached to equity share**

**Voting**

Each holder of equity shares is entitled to one vote per share held.

**Dividends**

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual general meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

**Liquidation**

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

**d.** The Company does not have any Holding Company.

**e. Detail of shareholders holding more than 5% of equity share of the Company**

Name of shareholder	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
<b>Equity shares of INR 10 each fully paid up held by :-</b>								
Hardeep Singh	38999142	60.00%	14999670	59.99%	30000	60.00%	30000	60.00%
Surmeet Kaur	26000000	40.00%	10000000	40.00%	20000	40.00%	20000	40.00%

**f. Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:**

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of reserves	40000000	24950000	-	-

**g. Details of shares held by promoters.**

Particulars	Promoter Name	No. of shares at the beginning of the period/year	Change during the period/year	No. of shares at the end of the period/year	% of Total Shares	% change during the period/year
<b>As at December 31, 2022</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	14999670	23999472	38999142	60%	160%
Equity shares of INR 10 each fully paid	Surmeet Kaur	10000000	16000000	26000000	40%	160%
<b>Total</b>		<b>24999670</b>	<b>39999472</b>	<b>64999142</b>	<b>100%</b>	<b>160%</b>
<b>As at March 31, 2022</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	14969670	14999670	59.99%	49898.90%
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	9980000	10000000	40.00%	49900.00%
<b>Total</b>		<b>50,000</b>	<b>24949670</b>	<b>24999670</b>	<b>100%</b>	<b>49898.90%</b>
<b>As at March 31, 2021</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	—	30000	60.00%	—
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	—	20000	40.00%	—
<b>Total</b>		<b>50000</b>	<b>—</b>	<b>50000</b>	<b>100.00%</b>	<b>0.00%</b>
<b>As at March 31, 2020</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30,000	-	30000	60.00%	-
Equity shares of INR 10 each fully paid	Surmeet Kaur	20,000	-	20000	40.00%	-
<b>Total</b>		<b>50000</b>	<b>-</b>	<b>50000</b>	<b>100.00%</b>	<b>0.00%</b>

**h.** No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash or bought back during the period of 5 years immediately preceding the balance sheet date.

18. Other equity	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Surplus in the statement of profit and loss</b>				
Opening balance	512.46	481.86	276.06	116.13
(+) Net profit for the year	345.82	280.10	205.79	159.93
(-) Issue of Bonus share	(400.00)	(249.50)	-	-
(+) Ind AS Adjustments	-	-	-	-

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<b>18. Other equity</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Closing balance (A)</b>	<b>458.28</b>	<b>512.46</b>	<b>481.86</b>	<b>276.06</b>
<b>Capital Reserve</b>				
Opening	155.24	-	-	-
Add: Addition during the period	-	-	-	-
<b>Capital Reserve (B)</b>	<b>155.24</b>			
<b>Other comprehensive income</b>				
Opening	1.95	0.80	(0.04)	-
Add: other comprehensive income for the year	0.68	1.15	0.84	(0.04)
<b>Closing balance (B)</b>	<b>2.63</b>	<b>1.95</b>	<b>0.80</b>	<b>(0.04)</b>
<b>Total other equity (A+B)</b>	<b>616.15</b>	<b>514.41</b>	<b>482.66</b>	<b>276.02</b>

**Nature and purpose of other reserves**

**Other comprehensive income:** The Company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of actuarial gains and losses.

**19. Non-Current Borrowings**

<b>Non-current borrowings</b>	<b>As at December 31,2022</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Secured</b>				
Term loan from banks/NBFC's (refer foot note )	235.86	11.55	-	-
Vehicle loan (refer foot note )	18.96	9.34	14.47	16.51
<b>Total non-current borrowings</b>	<b>254.82</b>	<b>20.89</b>	<b>14.47</b>	<b>16.51</b>
<b>Unsecured</b>				
Term loan from Institutions/NBFC's/Corporates	-	-	17.50	25.57
Directors/Relatives	-	-	-	-
	-	-	<b>17.50</b>	<b>25.57</b>
Less: Current maturities of non-current borrowings (included in note 22)	44.33	9.81	11.09	15.51
	<b>210.49</b>	<b>11.08</b>	<b>20.88</b>	<b>26.57</b>

The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 48

**Footnotes:-**

**1. Secured loan and Unsecured Loan**

**i. Term loan**

**IndusInd Bank Ltd**

The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

The Company has availed WCTL (Sanctioned Limit Rs 12.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

The Company has availed long term loan from IndusInd Bank, the loan is secured by first and exclusive charge on hypothecation of entire movable fixed assets & equitable mortgage on industrial land and building of INKO Technologies (Prop. Mr. Hardeep Singh, a related party) situated at Haridwar, and collateral first and exclusive mortgage on industrial land and building of IKIO Lighting Limited (a related party) situated at Haridwar. It is further secured by personal guarantee of Mr. Hardeep Singh and his relatives i.e. Surmeet Kaur, Sanjeet Singh, Ishween Kaur and corporate guarantee by Raina Metal tech Private Limited, INKO Technologies, IKIO Lighting Limited, IKIO Solution Private Limited, Fine Technologies (India) Private Limited (all related parties).

Rate of interest of 8.50 % per annum. Term loans are repayable by August 31, 2023.

The loan amount is USD 0.18 Million

In case of default on FCNR Loan, IndusInd bank may choose to convert entire loan into INR Loan.

**HDFC Bank Ltd**

The company has availed long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). Further, there is a collateral charge on the equitable mortgage on industrial property of the Company.

Rate of interest on the loan is 8.05% per annum. The loan is repayable within 7 years including moratorium period of one year. "

The long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). The said loan has been prepaid during the period.

**Standard Chartered Bank**

- a) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh . The tenure of the loan is 77 months to be fully paid by March 31, 2026. The loan carries floating rate of interest of MCLR Rate +0.50% p.a. at half yearly reset.

- b) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The tenure of the loan is 77 months to be fully paid by March 10, 2026. The loan carries floating rate of interest of MCLR Rate +0.50 p.a. at half yearly resets.
- c) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The tenure of the loan is 53 months to be fully paid by March 01, 2026. The loan carries floating rate of interest of Repo Rate+3.75% p.a. at Quarterly resets.

#### **Vehicle Loan**

- a) Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a. and balance outstanding as at December 31, 2022 is Rs. 3.60 millions (March 31, 2022 is Rs. 7.04 millions) out of which Rs. 3.59 millions is repayable in next 9 months.
- b) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at December 31, 2022 is outstanding Rs. 0.82 millions (March 31, 2022 is Rs. 1.20 millions) out of which Rs. 0.53 millions is repayable in next 12 months.
- c) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at December 31, 2022 is Rs. 0.75 millions (March 31, 2022 is Rs.1.10 millions) out of which Rs. 0.49 millions is repayable in next 12 months.
- d) Vehicle Loan availed from HDFC Bank amounting to Rs. 4.5 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 05, 2021. Rate of interest is 7.10% p.a. and balance outstanding as at December 31, 2022 is Rs. 3.22 millions (March 31, 2022 is Rs. 4 millions) out of which Rs. 1.10 millions is repayable upto December 31, 2023.
- e) Vehicle Loan availed from HDFC Bank amounting to Rs. 3.7 millions which is secured against the respective vehicle and is repayable in 39 equal instalments commencing from March 03, 2021. Rate of interest is 7.30% p.a. and balance outstanding as at December 31, 2022 is Rs. 1.72 millions (March 31, 2022 is Rs. 2.56 millions) out of which Rs. 1.20 millions is repayable upto December 31, 2023.
- f) Vehicle Loan availed from HDFC Bank amounting to Rs. 9.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from December 12, 2022. Rate of interest is 7.90% p.a. and balance outstanding as at December 31, 2022 is Rs. 8.84 millions out of which Rs. 2.00 millions is repayable upto December 31, 2023.

#### **For the year ended March 31, 2022**

##### **IndusInd Bank Ltd**

The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors. The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

#### **(ii) Vehicle Loan**

- (a) Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a. and balance outstanding as at March 31, 2022 is Rs. 7.04 millions (March 31, 2021 and April 01, 2020: Rs. 11.27 millions and Rs. 15.14 millions respectively) out of which Rs. 4.64 millions is repayable in FY 2022-23.
- (b) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs. 1.20 millions (March 31, 2021 and April 01, 2020: Rs. 1.68 millions and Rs. 2.26 millions respectively) out of which Rs. 0.51 millions is repayable in FY 2022-23.
- (c) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs.1.10 millions (March 31, 2021 and April 01, 2020: Rs. 1.54 millions and Rs. 2.07 millions respectively) out of which Rs. 0.47 millions is repayable in FY 2022-23.

#### **For the year ended March 31, 2021**

**IndusInd Bank Ltd**

The Company has availed WCTL (Sanctioned Limit Rs 21.00 Mn) and Medium Term Loan (Sanctioned Limit Rs 13.74 Mn), from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports Private Limited (formerly Royalux Exports) IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties). Tenure of working capital term loan is 55 months, to be fully paid by 31st December, 2024, and medium term loan of 14 months. The working capital term loan carries floating rate of interest of MIBOR(daily)+2%, at monthly rest and medium term loan carries an interest rate of 9% linked to 6 month CD rate.

**For the year ended March 31, 2020**

**Secured loan**

**(i) Term loan**

**IndusInd Bank Ltd**

- The Company has availed WCTL (Sanctioned Limit Rs 21.00 Mn) and Medium Term Loan (Sanctioned Limit Rs 13.74 Mn), from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million.
- Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties). Tenure of working capital term loan is 55 months, to be fully paid by 31st December, 2024, and medium term loan of 14 months. The working capital term loan carries floating rate of interest of MIBOR(daily)+2%, at monthly rest and medium term loan carries an interest rate of 9% linked to 6 month CD rate.

**(ii) Vehicle Loan**

(a) Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a. and balance outstanding as at March 31, 2020 is Rs. 15.14 millions out of which Rs. 3.87 millions is repayable in FY 2020-21

**20. Non-current lease liability**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Lease liability	76.80	1.91	-	-
	<b>76.80</b>	<b>1.91</b>	<b>-</b>	<b>-</b>

**21. Non-Current Provisions**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Provision for employees' benefits refer (note no 43)</b>				
- Gratuity	17.03	5.36	4.02	2.87
- Compensated Absences	4.04	2.47	1.31	0.75
	<b>21.07</b>	<b>7.83</b>	<b>5.33</b>	<b>3.62</b>

## 22. Current Borrowings

Current borrowings	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>				
Packing Credit Loan (Refer Note Below)	-			
Cash Credit	650.75	137.41	17.63	35.69
Current maturities of long-term debt	44.33	9.81	11.09	15.51
<b>Unsecured</b>				
From Institutions / NBFCs / Corporates	111.81			
Directors/Relatives	345.89	-	-	-
	<b>1,152.78</b>	<b>147.22</b>	<b>28.72</b>	<b>51.20</b>

### Footnotes:-

#### For the period ended December 31, 2022

#### 1) Secured loan

##### a) Cash Credit

##### i) IndusInd Bank Ltd

- (1) The company has availed cash credit facility (Sanctioned Limit Rs 115.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors. The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.
- (2) The Company has availed Cash Credit facility (Sanctioned Limit Rs 25.30 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.
- (3) The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

##### ii) HDFC Bank Ltd

- (1) "The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 151.00 Mn) from HDFC Bank Ltd, Which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors. The loan carries a floating rate of interest of 7% per annum (Repo rate + Spread)."
- (2) During the year ended March 31, 2022, the company has been sanctioned cash credit facilities amounting to Rs. 100 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 7.00% per annum (Repo rate + Spread).
- (3) The Company has availed working capital loan (Pre/Post Shipment/PSR and Cash credit) from HDFC bank (sanctioned Rs. 230.00 Mn). The loan is secured by personal guarantee given by Mr. Hardeep Singh and Mrs. Surmeet Kaur. It is further secured by Corporate guarantee (collateral security of equitable mortgage on industrial land & Building) of IKIO Solution Private Limited property located at industrial property, plot no. 10 Sector 156, Mandoli village, Noida- 201301.



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*All amounts in ₹ million unless otherwise stated.***2) Unsecured loan****a) Unsecured Loan from Directors & Relatives and from Institutions/NBFC's/Corporates**

- i) Interest free loan repayable on demand taken from Directors & Relatives as at December 31, 2022 (Mr. Hardeep Singh: 252.52 million, Mrs. Surmeet Kaur: 64.72 million, Mr. Sanjeet Singh: 21.56 million, Mrs. Ishween Kaur: 7.10 million).
- ii) Unsecured loan outstanding as at December 31, 2022 from Institutions/NBFC's/Corporates (Agroha Finvest Pvt Ltd.: 5.95 million, Jagtarni Finance & Investment (P) Ltd: 5.71 million, J S Global Finance Ltd.: 0.62 million, MS Yashwardhan Paper: 6.77 million, Navyug Fin-Sec Pvt. Ltd.: 10.13 million, Parakh Overseas Pvt Ltd: 32.64 million, Principal Fin-Sec (P) Ltd.: 49.98 million) at interest rate of 9% p.a. from all the parties repayable on demand.
- iii) For Explanation on the company liquidity risk management process (Refer note 48)

**For the year ended March 31, 2022****IndusInd Bank Ltd**

The Company has availed cash credit facility (Sanctioned Limit Rs 96.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors. The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

**HDFC Bank Ltd**

The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 60.00 Mn) from HDFC Bank Ltd, Which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors. The loan carries a floating rate of interest of 7% per annum (Repo rate + Spread).

**For the year ended March 31, 2021****IndusInd Bank Ltd**

The Company has availed cash credit facility (Sanctioned Limit Rs 69.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports, IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties). The loan carries a floating rate of interest of 9.00% per annum linked with 6 month CD.

**For the year ended March 31, 2020****Secured loan - Cash Credit from IndusInd Bank Ltd**

The Company has availed cash credit facility (Sanctioned Limit Rs 69.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Pvt. Ltd., Royalux Exports, IKIO Solutions Private Limited and Fine Technologies (India) Pvt. Ltd (All Related Parties). The loan carries a floating rate of interest of 9.00% per annum linked with 6 month CD.

**23. Current lease liability**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Lease liability	12.67	1.40	-	-

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	12.67	1.40	-	-

24. Trade payables	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
total outstanding dues of micro and small enterprises (refer note no 40)	100.18	34.20	16.01	0.78
total outstanding dues of creditors other than micro and small enterprises	207.93	106.07	159.39	137.77
	308.11	140.27	175.40	138.55

**Footnote:**

Particulars	Outstanding as at December 31, 2022 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	100.18	-	-	-	100.18
(ii) Other than micro enterprises and small enterprises	207.49	0.44	-	-	207.93
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>307.67</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>308.11</b>

Particulars	Outstanding as at March 31, 2022 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	34.20	-	-	-	34.20
(ii) Other than micro enterprises and small enterprises	105.83	0.24	-	-	106.07
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>140.03</b>	<b>0.24</b>	<b>-</b>	<b>-</b>	<b>140.27</b>

Particulars	Outstanding as at March 31, 2021 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	16.01	-	-	-	16.01
(ii) Other than micro enterprises and small enterprises	153.75	5.64	-	-	159.39
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>169.76</b>	<b>5.64</b>	<b>-</b>	<b>-</b>	<b>175.40</b>

Particulars	Outstanding as at March 31, 2020 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	0.78	-	-	-	0.78
(ii) Other than micro enterprises and small enterprises	137.74	0.03	-	-	137.77
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>138.52</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>138.55</b>

- i. For trade payables to related parties please refer note 44  
ii. Other creditor are non-interest bearing.

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iii. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note 48

**25. Other current financial liability**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Interest accrued but not due	5.68	0.05	0.07	0.02
Expenses payable	42.23	12.65	0.94	0.46
Other Payables	33.65	17.81	15.08	10.16
Capital Creditors	4.24	0.00	0.00	0.00
<b>Total</b>	<b>85.80</b>	<b>30.51</b>	<b>16.09</b>	<b>10.64</b>

**Note:**

i. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 48

**26. Other current liabilities**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Statutory dues payable	18.09	4.13	9.74	2.60
Advance from Customers	30.21			
	<b>48.30</b>	<b>4.13</b>	<b>9.74</b>	<b>2.60</b>

**27. Current provisions**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Provision for employees benefits refer</b>				
- Gratuity	1.28	0.06	0.03	0.02
- Compensated Absences	1.70	4.40	1.66	0.08
	<b>2.98</b>	<b>4.46</b>	<b>1.69</b>	<b>0.10</b>

**28. Current Tax Liabilities**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Provision for Income Tax (net of Advance Tax, TDS and TCS)	27.74	12.85	-	-
	<b>27.74</b>	<b>12.85</b>	<b>-</b>	<b>-</b>

**29. Revenue from operations**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Sale of product	2,407.21	2,198.95	1,596.63	1,406.48
	<b>2,407.21</b>	<b>2,198.95</b>	<b>1,596.63</b>	<b>1,406.48</b>

**30. Other income**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net gain on foreign currency transactions and translation	16.61	7.19	3.29	0.50
Interest income	0.69	0.03	0.46	0.13

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Export incentive	-	0.24	-	0.01
Insurance claim	-	-	-	0.09
Profit on sale of property, plant & equipment (net)	0.10	0.15	-	0.09
Finance income	0.06	-	-	-
Provisions no longer required written back	7.06	0.62	-	-
Miscellaneous income	-	0.01	0.01	0.02
Compensated Absences	0.03			
Discount income	0.02			
	<b>24.57</b>	<b>8.24</b>	<b>3.76</b>	<b>0.84</b>

**31. Cost of materials consumed**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Opening stock	941.47	276.20	131.36	56.33
Add: Purchase	1,573.87	1,709.45	1197.14	1029.04
Less: Closing Stock	928.63	462.15	276.2	131.36
	<b>1,586.71</b>	<b>1,523.50</b>	<b>1,052.30</b>	<b>954.01</b>

**32. Change in inventories**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Inventories (at closing)</b>				
- Work-in-progress	214.55	79.81	25.31	22.88
- Finished product	103.88	19.01	5.45	15.20
	<b>318.43</b>	<b>98.82</b>	<b>30.76</b>	<b>38.08</b>
<b>Inventories (at opening)</b>				
- Work-in-progress	214.86	25.31	22.88	13.25
- Finished	94.44	5.45	15.20	14.44
	<b>309.30</b>	<b>30.76</b>	<b>38.08</b>	<b>27.69</b>
<b>Net (increase)/decrease in inventories</b>	<b>(9.13)</b>	<b>(68.06)</b>	<b>7.32</b>	<b>(10.39)</b>

**33. Employee benefits expenses**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Salaries & wages, bonus & other allowances	157.14	113.11	73.86	92.26
Director's remuneration	29.00	124.00	106.68	57.50
Contribution to provident and other funds (refer note 42)	12.17	9.21	7.08	7.22
Expenses related to post-employment defined benefit plans (refer note 42)	4.10	2.90	2.28	1.58
Expenses related to compensated absences (refer note 42)	-	3.90	2.14	0.83
Staff welfare expenses	3.89	10.70	2.36	2.93

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	206.30	263.82	194.40	162.32

**34. Finance cost**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Interest on borrowing	13.44	4.73	5.39	7.09
Other borrowing costs	8.56	0.45	0.22	13.83
Interest on lease liabilities (Refer note 39)	2.62	0.16	-	-
Interest on Income Tax	2.39	-	-	-
	27.01	5.34	5.61	20.92

**35. Depreciation and amortisation expenses**

	Period ended December 31,2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and Amortisation (refer note 3 and 4)	25.24	23.78	24.6	22.44
Amortisation of ROU Asset (refer note 5)	5.60	0.69	-	-
	30.84	24.47	24.60	22.44

**36. Other expenses**

Other expenses	Period ended December 31,2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Vehicle running & maintenance	0.52			
Freight & cartage outward	12.39			
Generator fuel & running expenses	1.65	0.42	0.21	0.49
Repair & maintenance	7.94	7.75	4.71	4.44
Job work paid	5.33	3.27	0.45	0.70
Electricity charges	18.68	12.70	9.07	8.48
Lab testing & research & development	3.96	4.51	2.55	2.93
Rent	6.87	3.47	0.80	0.13
Insurance charges	3.09	2.74	1.52	0.95
Rates & taxes	5.32	9.72	0.18	0.10
Security charges	1.76	1.10	1.06	1.04
Legal & professional charges	11.83	13.85	8.57	4.68
Tour & travel expenses	7.49	5.43	0.65	2.73
Auditor remuneration (refer footnote)	1.53	2.44	0.25	0.20
Computer expenses		2.73	0.74	1.38
Keyman Insurance		-	-	0.86
Corporate social responsibility expenses	5.27	5.02	2.65	1.08
Sundry balance written off	0.34	-	0.21	-

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Other expenses	Period ended December 31,2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Provision for Expected Credit Loss	0.85	-	0.91	-
Communication Expenses	0.85	0.57	0.44	6.96
Miscellaneous expenses	15.71	2.47	2.84	0.02
Directors' sitting fees	1.35	-	-	-
Penalty on Govt dues	0.03	-	-	-
Consumables Consumed	1.89	-	-	-
Conveyance Expenses	0.09			
Security deposit written off	0.01			
Bank Charges	0.80			
Telephone & internet exp	0.17			
Business promotion	0.48			
Printing & stationery	0.22			
Loading & unloading charges	0.07			
SEZ EDI change	0.02			
Subscription and fee	0.07			
Advertisement expenses	5.00			
Commission expenses	0.62			
Packing & forwarding expense	0.02			
Rebate & discount	0.01			
Postage & courier expense	0.01			
Installation & extraction charges	0.86			
Selling and Distribution Expense	0.48			
Loss on Exchange Fluctuation	0.17	-	1.98	-
Computer Expense	1.18			
	<b>124.91</b>	<b>78.19</b>	<b>39.79</b>	<b>37.17</b>

**Footnotes:**

Footnotes:	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>i. Remuneration to auditor</b>				
Statutory Audit	0.98	0.95	0.25	0.20
Tax Audit	0.22	0.15	-	-
Other Services	-	1.30	-	-
Out of Pocket Expenses	0.33	0.04	-	-
	<b>1.53</b>	<b>2.44</b>	<b>0.25</b>	<b>0.20</b>

**37. Disclosure as per Ind AS 33 on 'earnings per Share'**

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Basic and diluted earnings per share</b>				
Basic (Rs.)	5.32	11.20	8.23	6.40
-Diluted (Rs.)	5.32	11.20	8.23	6.40
Nominal value per share	10.00	10.00	10.00	10.00
<b>(a) Profit attributable to equity shareholders</b>				
Profit for the year	345.82	280.10	205.80	159.93
Profit attributable to equity shareholders	<b>345.82</b>	<b>280.10</b>	<b>205.80</b>	<b>159.93</b>
<b>(b) Weighted average number of shares used as the denominator</b>	65000000	25000000	25000000	25000000
<b>Weighted average number of equity shares for basic and diluted EPS</b>	<b>65000000</b>	<b>25000000</b>	<b>25000000</b>	<b>25000000</b>

At present, the company does not have any dilutive potential equity share.

### 38. Contingent Liabilities and Other Commitments

#### Contingent Liabilities

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Demand under Sales Tax for the year 2017-18 against pending C-Forms*	25.10	25.10	-	-
Corporate Guarantee Given	-	149.22	292.85	-

\*In the view of management, the demand is not expected to be materialised as the company expects to submit the relevant C-Forms and accordingly no provision is required to be recorded.

#### Capital Commitments

Particulars	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Capital Commitment (Net of Capital Advances)	-	2.57	-	-

### 39. Group

a. The restated consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of subsidiary	Country of incorporation	Proportion %	Period of financial statements included in consolidation
Fine Technologies (India) Private Limited	India	100%	12 September 2022 to 31 December 2022
Royalux Lighting Private Limited	India	100%	12 September 2022 to 31 December 2022

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Royalux Exports Private Limited	India	100%	12 September 2022 to 31 December 2022
IKIO Solutions Private Limited	India	100%	12 September 2022 to 31 December 2022

- b. Additional information as required by paragraph 2 of the general instructions for preparation of special purpose consolidated financial statements to Schedule III to the Companies Act, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As percentage of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit and loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of total comprehensive income	Amount (₹ in Millions)
IKIO Lighting limited	76.13%	963.98	57.50%	198.84	107.35%	0.73	57.60%	199.57
Fine Technologies (India) Private Limited	4.46%	56.52	15.74%	54.43	14.71%	0.10	15.74%	54.53
Royalux Lighting Private Limited	13.34%	168.87	24.95%	86.29	19.12%	0.13	24.94%	86.42
Royalux Exports Private Limited	9.13%	115.63	7.40%	25.60	-41.18%	(0.28)	7.31%	25.32
IKIO Solutions Private Limited	-0.24%	(3.05)	-1.03%	(3.55)	0.00%	-	-1.02%	(3.55)
Eliminations	-2.83%	(35.80)	-4.57%	(15.80)	0.00%	-	-4.56%	(15.80)
<b>Total</b>	<b>100.00%</b>	<b>1,266.15</b>	<b>100.00%</b>	<b>345.82</b>	<b>100.00%</b>	<b>0.68</b>	<b>100.00%</b>	<b>346.50</b>

#### 40. Leases

The group is a lessee under operating lease of different premises. The Company has executed non-cancellable operating leases for a period of 2, 3, 5, 15 and 90 years respectively. The Group has executed a short-term operating lease for a period of 11 months renewable as per mutual agreement.

Disclosure in respect of such operating leases is as given below:

- a) Break up value of the Current and Non - Current Lease Liabilities:

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	12.67			
Non-current lease liabilities	76.80			
	89.47	0	0	0

Disclosure in respect of such operating leases is as given below:

The movement in lease liabilities during the period/year ended is as follows:



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	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening Balance	3.31	-	-	-
Opening Balance on acquisition of subsidiaries	88.46			
Addition - during the period/year	1.80	4.04	-	-
Finance cost accrued during the period	2.71	0.16	-	-
Payment of lease liabilities	(6.81)	(0.89)	-	-
Adjustment on account of modification	-	-	-	-
<b>Closing Balance</b>	<b>89.47</b>	<b>3.31</b>	-	-

The details of the maturities of lease liabilities at period/year ended are as follows:

	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Not later than one year	12.67	1.40	-	-
Later than one year but not later than five years	2.66	1.91	-	-
Later than five years	74.14	-	-	-
	<b>89.47</b>	<b>3.31</b>	-	-

**Right-of-use (ROU) assets**

The changes in the carrying value of ROU assets for the period/year ended are as follows :

	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening Balance	3.36	-	-	-
Opening Balance on acquisition of subsidiaries	339.85			
Addition -during the period/year	1.80	4.05	-	-
Depreciation of ROU assets	(5.60)	(0.69)	-	-
Adjustment on account of modification	-	-	-	-
<b>Closing Balance</b>	<b>339.41</b>	<b>3.36</b>	-	-

**41. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	As at			
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:				
Principal amount due to micro and small enterprises	100.18	38.35	16.01	0.78
Interest due on above	-	-		

Particulars	As at			
	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-		
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-		
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-		

## 42. Segment reporting

### A. Basis for Segmentation

- An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.
- The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.
- The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Profit after tax ('PAT') to assess the performance of the operating segments. Accordingly, there is only one reportable segment for the Company which is "Sale of Product" , hence, no specific disclosures have been made.

### Entity wide disclosures

### B. Information about reportable segments

- The Company deals in one business segment namely Manufacturing of LED Lighting therefore, product wise revenue disclosures are not applicable to the Company.
- Information about geographical areas: Company operates primarily under a single geographic location i.e. India and accordingly, there are no separate reportable geographical segments.

## 43. Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

### A. Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, administered and managed by the government of India. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Contribution to provident fund	8.99	6.49	5.34	5.00

**B. Reconciliation of the net defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As at December 31,2022			As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the period/year	18.31		18.31	4.04	-	4.04	2.89	-	2.89	1.27	-	1.27
<b>Included in profit or loss</b>			-									
Current service cost	-	-	-	2.53	-	2.53	2.02	-	2.02	1.43	-	1.43
Interest cost (income)	-	-	-	0.37	-	0.37	0.26	-	0.26	0.15	-	0.15
	-	-		<b>2.90</b>	-	<b>2.90</b>	<b>2.28</b>	-	<b>2.28</b>	<b>1.58</b>	-	<b>1.58</b>
<b>Included in OCI</b>												
Remeasurements loss (gain)												
– Actuarial loss (gain) arising from:			-	-		-						
- financial assumptions	-		-	(0.35)		(0.35)	(0.20)	-	(0.20)	0.44	-	0.44
- Demographic assumptions	-		-	-		-	-	-	-		-	-
- Experience adjustment	-		-	(1.17)		(1.17)	(0.93)	-	(0.93)	(0.40)	-	(0.40)
	-	-		<b>(1.52)</b>	-	<b>(1.52)</b>	<b>(1.13)</b>	-	<b>(1.13)</b>	<b>0.04</b>	-	<b>0.04</b>
<b>Other</b>												
Contributions paid by the employer	-	-	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-	-	-
				-	-	-						
<b>Balance at the end of the period/year</b>	<b>18.31</b>	-	<b>18.31</b>	<b>5.42</b>	-	<b>5.42</b>	<b>4.04</b>	-	<b>4.04</b>	<b>2.89</b>	-	<b>2.89</b>

Expenses recognised in the Statement of profit and loss

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	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Service cost	-	2.53	2.02	1.43
Net interest cost	-	0.37	0.26	0.15

Consolidated financial statements have been prepared in accordance with Ind AS 110 “Consolidated Financial Statements”. These consolidated financial statements include the financial results of IKIO Lighting Limited (“Holding Company”) for the nine months ended December 31, 2022 and financial results of subsidiary companies, namely, Fine Technologies(India) Private Limited, Royalux Exports Private Limited, Royalux Lighting Private Limited and IKIO Solutions Private Limited for the period from September 12, 2022 to December 31, 2022, that is from the date the Holding Company acquired control. Accordingly, the data related to Service cost, Interest cost, and actuarial gain/loss for the stub period September 12, 2022 to December 31, 2022 for these subsidiaries is not realistically ascertainable in the absence of actuarial valuation in respect of these subsidiaries on the date of transfer of control. The present obligation as at December 31, 2022 has been ascertained through actuarial valuation. Accordingly requisite disclosures have not been provided in respect of the financial statements for the period ended December 31, 2022. In the opinion of the management, the amounts are not material and such non-disclosure does not affect the true and fair view of the consolidated financial statements.

### C. Plan Assets

The Company does not have any plant assets.

#### a) Economic Assumptions

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Discount Rate	7.40% to 7.44%	7.44%	7.03%	6.73%
Expected rate of future salary increase	5.00%	5.00%	5.00%	5.00%

The discount rate has been assumed at 31 December, 2022:7.40% to 7.44% (31 March, 2022: 7.44%) which is determined by reference to market yield at the balance sheet date on government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### b)Demographic assumptions

	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Retirement Age	58-60 Years	58 Years	58 Years	58 Years
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Employee Turnover/ Withdrawal Rate	6%	3%	3%	3%

#### D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amount shown below:

	As at December 31,2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.68) to (0.03)	0.03 to 0.81	(0.73)	0.91	(0.58)	0.73	(0.44)	0.55
Salary escalation rate (1% movement)	0.03 to 0.79	(0.69) to (0.03)	0.86	(0.71)	0.7	(0.58)	0.54	(0.45)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

#### Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases- More than expected increase in the future salary levels may results in increase in the liabilities.
- Discount Rate: In case of yield on the government bonds drops in the future period then it may result in increase in liability.
- Withdrawals – if the actual withdrawal rate is turn out to be more or less than expected then it may result in increase in the liabilities.
- Mortality - if the actual mortality rate in the future turns out to be more or less than expected then it may result increase in the liabilities.

#### E. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Duration of defined benefit obligation</b>				
Less than 1 year	1.32	0.06	0.03	0.02
Between 1 - 2 years	1.30	0.11	0.05	0.03
Between 2 - 5 years	4.15	0.91	0.50	0.30
Over 5 Years	11.54	1.71	1.32	0.91
<b>Total</b>	<b>18.31</b>	<b>2.79</b>	<b>1.90</b>	<b>1.26</b>

#### 44. Related Party Disclosure

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the period and description of relationships, as identified and certified by the management are:

##### a) List of Related Parties

Relationship	Name of related party
<b>Enterprises in which key management personnel and their relatives are able to exercise significant influence</b>	Raina Metal Tech Private Limited
	Fine Technologies (India) Private Limited (Till September 11, 2022)
	IKIO Solutions Private Limited (Till September 11, 2022)
	Royalux Lighting Private Limited (Till September 11, 2022)
	Royalux Exports Private Limited (Till September 11, 2022)
	Inko Technologies
	Singh Enterprises
	Ikio Led Lighting LLC (Since September 12, 2022)
	Singh Engineering
<b>Wholly Owned Subsidiary</b>	Fine Technologies (India) Private Limited (Since September 12, 2022)
	IKIO Solutions Private Limited (Since September 12, 2022)
<b>Wholly Owned Step Down Subsidiary</b>	Royalux Lighting Private Limited (Since September 12, 2022)
	Royalux Exports Private Limited (Since September 12, 2022)
<b>Key Managerial Personnel</b>	Mr. Hardeep Singh
	Mrs. Surmeet Kaur
	Mr. Sanjeet Singh
<b>Relative of Key Managerial Personnel</b>	Ms. Ishween Kaur

##### b) Details of related party transactions are as below:

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Particulars	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A) Transaction during the period/Year</b>				
<b>Purchases</b>				
Fine Technologies (India) Private Limited	99.67	237.20	180.95	181.78
Inko Technologies	-	1.97	3.87	0.04
Royalux Lighting Private Limited	15.04	25.55	15.12	19.25
Singh Enterprises	0.23	-	-	-
Singh Engineering	0.06	-	-	-
<b>Remuneration/ Salary</b>				
Mr. Hardeep Singh	17.54	85.00	66.00	43.25
Ms. Surmeet Kaur	7.04	19.50	22.20	14.25
Mr. Sanjeet Singh	5.51	19.50	18.48	-
Ishween Kaur	2.88	-	-	-
<b>Rent &amp; Others</b>				
Raina MetalTech Private Limited	5.18	2.94	0.70	0.13
Royalux Lighting Private Limited	-	-	3.11	0.49
<b>Repayment of Loan</b>				
Mr. Hardeep Singh	290.51	-	-	19.00
Mrs Surmeet Kaur	39.00	-	-	7.80
Mr Sanjeet Singh	14.54	-	-	-
<b>Sales of Goods &amp; Fixed Assets</b>				
Fine Technologies (India) Private Limited (including sale of car)	1.14	6.17	4.16	3.98
Royalux Exports Pvt. Ltd	4.87	21.56	0.74	0.15
Royalux Lighting Private Limited	5.37	14.56	17.16	37.68
Hardeep Singh	-	0.12	0.48	0.12
Ikio Led Lighting LLC	12.46	-	-	-
Singh Enterprises	1.61	-	-	-
Ms. Ishween Kaur			0.03	0.08
<b>Loan taken</b>				
Mr. Hardeep Singh	354.00	-	-	8.50
Ms. Surmeet Kaur	39.00	-	-	-
Mr Sanjeet Singh	21.70	-	-	-
<b>B) Balance outstanding with or from related parties as:-</b>				
<b>Receivables</b>				
Royalux Exports Pvt. Ltd	-	18.93	0.21	0.15
Singh Enterprises	9.25	-	0.07	0.07
Inko Technologies	-	-	0.72	-
Mr. Hardeep Singh	-	-	0.47	-

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Particulars	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Ms. Ishween Kaur	-	-	0.03	-
Royalux Lighting Private Limited	-	-	1.12	-
Ikio Led Lighting LLC	39.85	-	-	-
<b>Payables</b>				
Fine Technologies (India) Private Limited	-	1.16	4.98	1.81
Raina MetalTech Private Limited	0.39	0.19	0.20	0.40
Royalux Lighting Private Limited	-	2.03	-	-
Mr. Hardeep Singh	264.67	-	-	-
Mrs. Surmeet Kaur	65.04	-	-	-
Mr. Sanjeet Singh	22.56	-	-	-
Mrs. Ishween Kaur	7.10	-	-	-
<b>Corporate Guarantees Taken from</b>				
Raina MetalTech Private Limited	58.69	-	35.13	61.26
Inko Technologies	20.00	-	35.13	61.26
Royalux Exports Pvt. Ltd	-	-	35.13	61.26
IKIO Solutions Private Limited	-	-	35.13	61.26
Fine Technologies (India) Private Limited	-	-	35.13	61.26
Mr. Hardeep Singh	195.82	-	-	-
Mrs. Surmeet Kaur	195.82	-	-	-
<b>Equitable Mortgage taken from</b>				
IKIO Solutions Private Limited	-	44.63	-	-
Raina Metal Tech Private Limited	-	-	35.13	61.26
<b>Corporate Guarantees Given to</b>				
Fine Technologies (India) Private Limited	-	-	35.26	-
IKIO Solutions Private Limited	-	149.22	138.90	-
Royalux Exports Pvt. Ltd	-	-	118.69	-

***Terms and conditions of transactions with the related parties***

- i)The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- ii)All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

**45. Corporate Social Responsibility**

**December 31 2022**

- a) Gross amount required to be spent by the company during the Fiscal 2023 is Rs. 6.85 millions.
- b) Amount spent during the period ended December 2022 was Rs. 2.00 millions.



- c) There are no shortfalls as at the Previous Year and full amount will be spend in current year too.  
d) The company does not have any ongoing project going on as at December 31, 2022.

**March 31 2022**

- a) Gross amount required to be spent by the company during the year was Rs. 5.02 millions.  
b) Amount spent during the year was Rs. 5.02 millions.  
c) There are no shortfalls as at the Current Year or Previous Year.  
d) The company does not have any ongoing project going on as at March 31, 2022.

**March 31 2021**

- a) Gross amount required to be spent by the company during the year was Rs. 2.65 millions.  
b) Amount spent during the year was Rs. 2.65 millions.  
c) The company does not have any ongoing project going on as at March 31, 2021.

**46. Earnings in foreign currency**

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
F.O.B. value of exports	159.90	24.50	6.56	0.68

**47. Expenditure in foreign currency**

Particulars	Period ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Foreign Travelling expenditure	-	-	-	0.47
-Raw material	784.05	828.00	645.57	356.75

**48. Fair value measurement and financial instruments**

**a) Financial instruments - by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their level in the fair value hierarchy.

i) As at December 31, 2022

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-

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Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Loans	-	-	-	-	-	-	-
Other Financial Asset	-	-	10.11	10.11	-	-	-
<b>Current</b>							
Trade receivables	-	-	731.93	731.93	-	-	-
Cash and cash equivalents	-	-	13.42	13.42	-	-	-
Bank Balances Other than Cash & Cash Equivalents)			12.27	12.27			
Others	-	-	3.56	3.56	-	-	-
<b>Total</b>	-	-	<b>771.29</b>	<b>771.29</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	210.49	210.49	-	-	-
lease liabilities	-	-	76.80	76.80	-	-	-
<b>Current</b>							
Borrowings	-	-	1,152.78	1,152.78	-	-	-
lease liabilities	-	-	12.67	12.67	-	-	-
Trade payables	-	-	308.11	308.11	-	-	-
Other financial liabilities	-	-	85.80	85.80	-	-	-
<b>Total</b>	-	-	<b>1,846.65</b>	<b>1,846.65</b>			

ii)As at March 31, 2022

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other Financial Asset	-	-	1.63	1.63	-	-	-
<b>Current</b>				-			
Trade receivables	-	-	259.69	259.69	-	-	-
Cash and cash equivalents	-	-	6.50	6.50	-	-	-
Others	-	-	1.09	1.09	-	-	-
<b>Total</b>	-	-	<b>268.91</b>	<b>268.91</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	11.08	11.08	-	-	-

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*All amounts in ₹ million unless otherwise stated.*

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
lease liabilities	-	-	1.91	1.91	-	-	-
<b>Current</b>							
Borrowings	-	-	147.22	147.22	-	-	-
lease liabilities	-	-	1.40	1.40	-	-	-
Trade payables	-	-	140.27	140.27	-	-	-
Other financial liabilities	-	-	30.51	30.51	-	-	-
<b>Total</b>	-	-	<b>332.39</b>	<b>332.39</b>			

iii)As at March 31, 2021

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other Financial Asset	-	-	0.86	0.86	-	-	-
				-			
<b>Current</b>				-			
Trade receivables	-	-	156.38	156.38	-	-	-
Cash and cash equivalents	-	-	1.93	1.93	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	0.01	0.01	-	-	-
Others	-	-	1.09	1.09	-	-	-
<b>Total</b>	-	-	<b>160.27</b>	<b>160.27</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	20.88	20.88	-	-	-
lease liabilities	-	-	-	-	-	-	-
<b>Current</b>							
Borrowings	-	-	28.72	28.72	-	-	-
lease liabilities	-	-	-	-	-	-	-
Trade payables	-	-	175.40	175.40	-	-	-
Other financial liabilities	-	-	16.09	16.09	-	-	-
<b>Total</b>	-	-	<b>241.09</b>	<b>241.09</b>			

iv)As at March 31, 2020

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
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*All amounts in ₹ million unless otherwise stated.*

Particulars	Carrying Value				Fair value measurement using		
	FVTPL	FVOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other Financial Asset	-	-	0.77	0.77	-	-	-
				-			
<b>Current</b>				-			
Trade receivables	-	-	46.40	46.40	-	-	-
Cash and cash equivalents	-	-	66.04	66.04	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	0.49	0.49	-	-	-
Others	-	-	0.87	0.87	-	-	-
<b>Total</b>	-	-	<b>114.57</b>	<b>114.57</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	26.57	26.57	-	-	-
lease liabilities	-	-	-	-	-	-	-
<b>Current</b>							
Borrowings	-	-	51.20	51.20	-	-	-
lease liabilities	-	-	-	-	-	-	-
Trade payables	-	-	138.55	138.55	-	-	-
Other financial liabilities	-	-	10.64	10.64	-	-	-
<b>Total</b>	-	-	<b>226.96</b>	<b>226.96</b>			

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

**Valuation processes:** The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

#### ***b) Financial risk management***

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

#### **Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

- (i) Credit risk: The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet

<b>Particulars</b>	<b>As at December 31,2022</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Trade Receivables	731.93	259.69	156.38	46.40
Cash and cash equivalents	13.42	6.50	1.93	66.04
Bank balances other than cash and cash equivalents	12.27	-	0.01	0.49
Others	3.56	1.09	1.09	0.87

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

Movement in the allowance for impairment in respect of trade receivables:

Particulars	As at December 31,2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning	0.30	0.91	-	-
Balance at the beginning of Subsidiaries	13.77			
Impairment loss recognized / (reversed)	(2.93)	(0.62)	0.91	-
Amount written off	-	-		
<b>Balance at the end</b>	<b>11.14</b>	<b>0.30</b>	<b>0.91</b>	<b>-</b>

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

**IKIO Lighting Limited** (Formerly IKIO Lighting Private Limited)  
Restated Consolidated Financial Information

*All amounts in ₹ million unless otherwise stated.*

As at December 31,2022	Carrying Amount	Contractual cash flows			
		Less than one Year	Between one year to five years	More than five year	Total
<b>Non Current</b>					
Non current borrowings	210.49	-	210.49	-	210.49
Lease liabilities	76.80	-	2.66	74.14	76.80
<b>Current</b>					
Borrowings	1,152.78	1,152.78	-	-	1,152.78
Lease liabilities	12.67	12.67	-	-	12.67
Trade payables	308.11	308.11	-	-	308.11
Other financial liabilities	85.80	85.80	-	-	85.80
<b>Total</b>	<b>1,846.65</b>	<b>1,559.36</b>	<b>213.15</b>	<b>74.14</b>	<b>1,846.65</b>

As at March 31, 2022	Carrying Amount	Contractual cash flows			
		Less than one Year	Between one year to five years	More than five year	Total
<b>Non Current</b>					
Non current borrowings	11.08	-	11.08	-	11.08
Lease liabilities	1.91	-	1.91	-	1.91
<b>Current</b>					
Borrowings	147.22	147.22	-	-	147.22
Lease liabilities	1.40	1.40	-	-	1.40
Trade payables	140.27	140.27	-	-	140.27
Other financial liabilities	30.51	30.51	-	-	30.51
<b>Total</b>	<b>332.39</b>	<b>319.40</b>	<b>12.99</b>	<b>-</b>	<b>332.39</b>

As at March 31, 2021	Carrying Amount	Contractual cash flows			
		Less than one Year	Between one year to five years	More than five year	Total
<b>Non Current</b>					
Non current borrowings	20.88	-	20.88	-	20.88
Lease liabilities	-	-	-	-	-
<b>Current</b>					
Borrowings	28.72	28.72	-	-	28.72
Lease liabilities	-	-	-	-	-
Trade payables	175.40	175.40	-	-	175.40
Other financial liabilities	16.09	16.09	-	-	16.09
<b>Total</b>	<b>241.09</b>	<b>220.21</b>	<b>20.88</b>	<b>-</b>	<b>241.09</b>

As at March 31, 2020	Carrying Amount	Contractual cash flows			
		Less than one Year	Between one year to five years	More than five year	Total
<b>Non Current</b>					
Non current borrowings	26.57	-	26.57	-	26.57
Lease liabilities	-	-	-	-	-
<b>Current</b>					
Borrowings	51.20	51.20	-	-	51.20
Lease liabilities	-	-	-	-	-
Trade payables	138.55	138.55	-	-	138.55
Other financial liabilities	10.64	10.64	-	-	10.64
<b>Total</b>	<b>226.96</b>	<b>200.39</b>	<b>26.57</b>	<b>-</b>	<b>226.96</b>

(iii) Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(iv) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk.

**Exposure to currency risk**

The summary of quantitative data about the company exposure to currency risk, as expressed in Indian Rupees as at December 31,2022 and March 31, 2022

Particulars	As at December 31, 2022			
	Currency	Amount	Currency	Amount
<b>Financial Assets</b>	INR	228.76	USD	2.76
- Trade Receivables				
<b>Financial Liabilities</b>				
- Trade Payables	INR	73.60	USD	0.89
- Borrowings	INR	7.86	USD	0.09



Particulars	As at March 31, 2022			
	Currency	Amount	Currency	Amount
<b>Financial Assets</b>	INR	14.50	USD	0.19
- Trade Receivables				
<b>Financial Liabilities</b>				
- Trade Payables	INR	20.54	USD	0.27

Particulars	As at March 31, 2021			
	Currency	Amount	Currency	Amount
<b>Financial Assets</b>	INR	52.94	USD	0.72
- Trade Receivables				
<b>Financial Liabilities</b>				
- Trade Payables	INR	43.07	USD	0.59

Particulars	As at March 31, 2020			
	Currency	Amount	Currency	Amount
<b>Financial Assets</b>	INR	0.68	USD	0.01
- Trade Receivables				
<b>Financial Liabilities</b>				
- Trade Payables	INR	17.78	USD	0.24

### ***Interest Rate Risk***

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

### ***Exposure to interest rate risk***

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Term Loan	235.86	11.55	17.50	25.57
Cash Credit	650.75	137.41	17.63	35.69
Packing credit loan	-			
<b>Total</b>	<b>886.61</b>	<b>148.96</b>	<b>35.13</b>	<b>61.26</b>

### ***Cash flow sensitivity analysis for variable-rate instruments***

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on term loans from banks</b>				
For the period ended December 31,2022	(4.43)	4.43	(3.32)	3.32
For the year ended March 31,2022	(0.74)	0.74	(0.56)	0.56
For the year ended March 31, 2021	(0.18)	0.18	(0.13)	0.13
For the year ended March 31, 2020	(0.31)	0.31	(0.23)	0.23

#### 49. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Borrowings	1,363.27	158.30	20.88	26.57
Less : Cash and cash equivalent	(13.42)	(6.50)	(1.93)	(66.04)
<b>Adjusted net debt (A)</b>	1,349.85	151.80	18.95	(39.47)
<b>Total equity (B)</b>	1,266.15	764.41	483.16	276.52
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>1.07</b>	<b>0.20</b>	<b>0.04</b>	<b>(0.14)</b>

#### 50. Ratios Formula

Ratios	Formula	Period Ended December 31,2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	% change FY22 Vs FY21	% change FY21 Vs FY20
Current Ratio	Current Assets	1.41	2.75	2.50	1.75	10.18%	74.24%
	Current Liabilities						
Debt Equity Ratio	Total Debt	1.08	0.21	0.10	0.28	101.71%	-17.86%

Ratios	Formula	Period Ended December 31,2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	% change FY22 Vs FY21	% change FY21 Vs FY20
	Total Shareholders Equity						
Debt Service Coverage Ratio	Earnings available for debt services	0.44	2.66	8.93	3.66	-70.18%	526.25%
	Finance Cost + Short term debt(including current maturities of long term debt)+ Current Lease Liability						
Return on Equity Ratio	Net Profit after Taxes- Preference Dividend (If any)	0.27	0.37	0.43	0.58	-13.97%	-15.24%
	Equity Shareholder's Funds						
Inventory Turnover Ratio	Cost of Goods Sold	1.74	3.31	4.37	7.45	-24.09%	-308.00%
	Average Inventory						
Trade Receivable Turnover Ratio	Credit Sales	4.86	10.57	15.75	21.38	-32.88%	-563.51%
	Average Account Receivables						
Trade Payable Turnover Ratio	Credit Purchases	7.02	10.83	7.63	8.52	42.01%	-88.95%
	Average Account Payables						
Net Capital Turnover Ratio	Sales	3.80	4.66	6.39	12.37	-27.03%	-597.97%
	Average Working Capital						
Net Profit Ratio	Net Profit	0.14	0.17	0.17	0.16	-0.18%	1.61%
	Sales						
Return on Capital	EBIT	0.19	0.42	0.53	0.68	-21.11%	-15.31%
	Capital Employed						

*Note : Ratios of Restated consolidated financials for the period ended December 31, 2022 are not comparable with Ratios of year ended March 31, 2022 due to consolidation of subsidiary companies for the period September 12 2022 to December 31, 2022.*

#### 51. Deferred Tax Asset (Net)

##### A. Amounts recognised in Profit or Loss

Current tax expense	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Current period/year	118.57	99.11	73.58	60.5
Adjustment for prior years	(0.06)	1.14	0	2.62
	<b>118.51</b>	<b>100.25</b>	<b>73.58</b>	<b>63.12</b>
<b>Deferred tax expense</b>				
Change in recognised temporary differences	0.81	(0.42)	(3.01)	(2.20)
<b>Total Tax Expense</b>	<b>119.32</b>	<b>99.83</b>	<b>70.57</b>	<b>60.92</b>

##### B. Amounts recognised in Other Comprehensive Income

	Period ended December 31, 2022			Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	1.00	(0.32)	0.68	1.53	(0.38)	1.15	1.13	(0.29)	0.84	(0.04)	-	(0.04)
	<b>1.00</b>	<b>(0.32)</b>	<b>0.68</b>	<b>1.53</b>	<b>(0.38)</b>	<b>1.15</b>	<b>1.13</b>	<b>(0.29)</b>	<b>0.84</b>	<b>(0.04)</b>	<b>-</b>	<b>(0.04)</b>

**52. Details with respect to the Benami Properties:** No proceedings have been initiated or pending against the entity under the Benami Transactions (prohibition) Act, 1988 for the period ended December 31, 2022 and year ended March 31, 2022.

**53. Undisclosed income:** There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the period in the tax assessments under Income Tax Act, 1961.

**54. Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency	No transaction during the period
Amount of currency held as at the reporting date	No transaction during the period
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency	No transaction during the period

**55. Wilful Defaulter:** No bank or financial institution has declared the company as "Wilful defaulter".

**56. Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:**

Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the period / year
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the period / year

**57. Relationship with Struck off Companies:** No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the period ended December 31, 2022 and year ended March 31, 2022.

**58. Registration of charges or satisfaction with Registrar of Companies:** All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the period ended December 31, 2022 and year ended March 31, 2022.

**59. Compliance with number of layers of companies:** Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017. No layers of companies has been established beyond the limit prescribed as per above said section / rules.

**60. Loan or advances granted to the promoters, directors and KMPs and the related parties:**

No loan or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:

- a) repayable on demand or
- b) without specifying any terms or period of repayment

**61. Previous year figures are not comparable with current year figures.**

**62. Previous year's figures have been regrouped / reclassified as per the current period's presentation for the purpose of comparability.**

As per our report of even date.

**For BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 003304N/N500056

**Pranav Jain**

Partner

Membership No. 098308

Place: Noida

Date: 12<sup>th</sup> May, 2023

**For and on behalf of the Board of Directors of  
IKIO Lighting Limited**

**Hardeep Singh**

Managing Director

DIN: 00118729

Place: Noida

Date: 12<sup>th</sup> May, 2023

**Subhash Agrawal**

CFO

Place: Noida

Date: 12<sup>th</sup> May, 2023

**Surmeet Kaur**

Whole Time Director

DIN: 00118695

Place: Noida

Date: 12<sup>th</sup> May, 2023

**Sandeep Agarwal**

Company Secretary

M. No.: 066255

Place: Noida

Date: 12<sup>th</sup> May, 2023

## PROFORMA CONSOLIDATED FINANCIAL INFORMATION

### **Independent Practitioner's Assurance Report on the compilation of Proforma Consolidated Financial Information to be included in the Red Herring Prospectus ('RHP') in connection with proposed Initial Public Offer of equity shares ('proposed IPO') by IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited)**

To the Board of Directors of **IKIO Lighting Limited** (Formerly Known as **IKIO Lighting Private Limited**)

1. We have completed our assurance engagement to report on the compilation of Proforma Consolidated Financial Information of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited) ('the Company') and its Group Companies/entities which are under common control of the promoter group (The Company and its Group Companies/entities which are under common control of promoter group together referred to as "the Group"). The Proforma Consolidated Financial Information consists of the Proforma Consolidated Balance Sheet as at December 31, 2022, March 31, 2022, 2021 and 2020, the Proforma Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Proforma Consolidated Statement of Changes in Equity and Proforma Consolidated Statement of Cash Flows for the period/years ended December 31, 2022, March 31, 2022, 2021 and 2020 and related notes, including a summary of significant accounting policies and other explanatory information (hereinafter referred as 'Proforma Consolidated Financial Information'). The Proforma Consolidated Financial Information consists of Consolidation of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited), Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited. The applicable criteria on the basis of which the management has compiled the Proforma Consolidated Financial Information are specified in the "Basis of preparation paragraph" as described in note 1 to the Proforma Consolidated Financial Information.
2. The Proforma Consolidated Financial Information has been compiled by management of the Company to illustrate the impact of Consolidation to reflect the Consolidated State of Affairs of the Group as at December 31, 2022, March 31, 2022, 2021 and 2020, the consolidated profit, total consolidated comprehensive income, the consolidated changes in equity and consolidated cash flows for the period/years ended December 31, 2022, March 31, 2022, 2021 and 2020 as if the entities being consolidated were the wholly owned subsidiaries of the Company for all the periods presented.
3. As a part of this process, information about the Group's financial position and financial performance has been extracted by Management from the following financial statements / Financial Information:
  - a) The restated financial statements of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited) which comprises the Restated Statement of Assets and Liabilities as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the period/years ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the Summary Statement of Significant Accounting Policies, and other explanatory notes (collectively, the "restated financial statement") which has been approved by the Board of Directors of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited) at their meeting held on May 12, 2023. Those restated financial statements have been prepared by the management of the Company for the purpose of inclusion in the updated draft red herring prospectus and prospectus (collectively the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:
    - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
    - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
    - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note")
  - b) The restated financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited, which are prepared for the sole purpose of using the financial statements in preparation of "Proforma Consolidated Financial Information" of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). The financials have been drawn under Ind AS, as required for the purpose of presenting the Proforma Consolidated Financial Information in Red Herring Prospectus (RHP) of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). These restated financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited have been approved by the respective Board of Directors/ Management at their respective meetings held on March 23, 2023, March 23, 2023, March 25, 2023 and March 23, 2023.

The Restated Consolidated Financial Information that has been used for the preparation of the Proforma Consolidated Financial Information have been compiled by the management from:

- c) Audited Ind AS financial statements of the Group for the period ended December 31, 2022 prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian

Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on March 25, 2023. It may be noted that Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited have become subsidiaries of the Company with effect from September 12, 2022 and accordingly, the financial information presented for the period ended December 31, 2022 contains consolidated information of the subsidiaries from September 12, 2022 to December 31, 2022. The period(s) prior to September 12, 2022 that have been mentioned in the Restated Consolidated Financial Information pertain to the Company.

- d) Audited Ind AS financial statements of the Company for the year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 22, 2022. The comparative information for the year ended March 31, 2021 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards, notified under the Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on November 29, 2021.
- e) The audited special purpose Ind AS financial statements as at and for the year ended March 31, 2020 prepared on the basis as described in Note 2(i) to the Restated Financial Information, which have been approved by the Board of Directors at their meeting held on June 22, 2022.
- f) The audited financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited, which are prepared for the sole purpose of using the financial statements in preparation of "Restated Consolidated Financial Information" of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). These special purpose financials have been drawn under Ind AS, as required for the purpose of presenting the Restated Consolidated Financial Information in Red Herring Prospectus (RHP) of IKIO Lighting Limited (Formerly Known as IKIO Lighting Private Limited). These audited financial statements of Fine Technologies (India) Private Limited, IKIO Solutions Private Limited, Royalux Lighting Private Limited and Royalux Export Private Limited have been approved by the respective Board of Directors/ Management at their respective meetings held on March 23, 2023, March 23, 2023, March 25, 2023 and March 23, 2023.

#### **Management's Responsibility for the Proforma Consolidated Financial Information**

- 4. The Management is responsible for compiling the Proforma Consolidated Financial Information on the basis stated in note 1 to the Proforma Consolidated Financial Information and the same has been approved by the Board of Directors of the Company. Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Proforma Consolidated Financial Information on the basis stated in note 1 to the Proforma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Proforma Consolidated Financial Information.

#### **Practitioner's Responsibilities**

- 5. Our responsibility is to express an opinion, as required by SEBI (ICDR) Regulations 2018 (as amended) about whether the Proforma Consolidated Financial Information presents a true and fair analysis in all material respects on the basis stated in note 1 to the Proforma Consolidated Financial Information.
- 6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Consolidated Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Proforma Consolidated Financial Information on the basis stated in note 1 to the Proforma Consolidated Financial Information.
- 7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical Financial Information used in compiling the Proforma Consolidated Financial Information. For this engagement, we have placed reliance on Standalone/Consolidated Audited financial statements / Financial Information as referred to in paragraph 2 above.
- 8. A reasonable assurance engagement to report on whether the Proforma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 1 to the Proforma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Proforma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- a. The related Proforma adjustments give appropriate effect to those criteria; and
  - b. The Proforma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted Financial Information.
9. The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Company, the event or transaction in respect of which the Proforma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

### **Opinion**

10. In our opinion, the accompanying Proforma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 1 to the Proforma Consolidated Financial Information.

### **Restriction on Use**

11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us.
12. Our report is intended solely for use of the Board of Directors for inclusion in the RHP to be filed with Securities Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and the Registrar of Companies, Delhi in connection with the proposed IPO of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 003304N/N500056

**Pranav Jain**

Partner

Membership No. 098308

UDIN: 23098308BGVLQG2662

Date: May 12, 2023

Place: Noida



**Proforma Consolidated Balance Sheet**

	Note	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	303.38	254.68	224.78	216.98
Capital work-in-progress	4	214.94	93.69	40.79	5.19
Goodwill		147.07	-	-	-
Intangible assets	5	0.46	0.51	0.62	1.22
Right of use of assets	6	339.41	349.47	360.11	322.70
Financial assets					
(i) Other financial assets	7	10.11	5.49	3.46	3.05
Deferred tax assets (net)	8	6.97	17.40	18.06	8.89
Non current tax assets (net)	9	0.77	2.29	2.25	0.33
Other non current assets	10	22.34	40.62	9.99	7.14
		<b>1,045.45</b>	<b>764.15</b>	<b>660.06</b>	<b>565.50</b>
<b>Current assets</b>					
Inventories	11	1,253.64	1,097.74	578.53	371.84
Financial assets					
(i) Trade receivables	12	731.93	558.87	327.55	298.19
(ii) Cash and cash equivalents	13	13.42	21.80	32.83	77.59
(iii) Bank balances other than cash and cash equivalents	14	12.27	5.46	3.44	4.75
(iv) Other financial assets	15	3.56	4.08	3.18	5.94
Other current assets	16	294.75	196.55	138.91	124.45
<b>Total current assets</b>		<b>2,309.57</b>	<b>1,884.50</b>	<b>1,084.44</b>	<b>882.76</b>
<b>Total</b>		<b>3,355.02</b>	<b>2,648.65</b>	<b>1,744.50</b>	<b>1,448.26</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity share capital	17	650.00	250.00	0.50	0.50
Other equity	18	758.28	838.70	628.08	358.49
		<b>1,408.28</b>	<b>1,088.70</b>	<b>628.58</b>	<b>358.99</b>
<b>Non-current liabilities</b>					
Financial liabilities					
(i) Borrowings	19	210.49	387.24	345.88	169.99
(ii) Lease liabilities	20	76.80	86.29	92.23	93.05
Provisions	21	21.07	17.84	14.38	10.19
		<b>308.36</b>	<b>491.37</b>	<b>452.49</b>	<b>273.23</b>
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings	22	1,152.78	678.39	347.70	298.62
(ii) Lease liabilities	23	12.67	9.24	7.86	6.31
(iii) Trade payables	24				
- total outstanding dues of micro and small enterprises; and		100.18	64.07	19.59	5.15
- total outstanding dues of creditors other than micro and small enterprises		207.93	168.05	211.44	319.54
(iv) Other financial liabilities	25	85.80	85.66	41.21	163.86
Other current liabilities	26	48.30	18.10	22.93	22.25
Provisions	27	2.98	5.45	2.10	0.31

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

*(All amounts are in rupees million unless otherwise stated)*

	Note	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Current Tax Liabilities (net)	28	27.74	39.62	10.60	-
<b>Total current liabilities</b>		<b>1,638.38</b>	<b>1,068.58</b>	<b>663.43</b>	<b>816.04</b>
<b>Total liabilities</b>		<b>1,946.74</b>	<b>1,559.95</b>	<b>1,115.92</b>	<b>1,089.27</b>
<b>Total equity and liabilities</b>		<b>3,355.02</b>	<b>2,648.65</b>	<b>1,744.50</b>	<b>1,448.26</b>

Summary of significant accounting policies at 1&2

Note: The above statement should be read with notes to the proforma consolidated financial information

As per our report of even date.

**For BGJC & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 003304N/N500056

**For and on behalf of the Board of Directors of  
IKIO Lighting Limited**

**Pranav Jain**  
Partner  
Membership No. 098308

**Hardeep Singh**  
Managing Director  
DIN: 00118729

**Surmeet Kaur**  
Whole Time Director  
DIN: 00118695

Place: Noida  
Date: May 12, 2023

Place: Noida  
Date: May 12, 2023

Place: Noida  
Date: May 12, 2023

**Subhash Agrawal**  
CFO

**Sandeep Agarwal**  
Company Secretary  
M. No.: 066255

Place: Noida  
Date: May 12, 2023

Place: Noida  
Date: May 12, 2023

**Entity-Wise Proforma Consolidated Balance Sheet at December 31,2022**

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	303.38	179.51	46.80	44.60	32.47		-
Capital work in progress	214.94	-	-	-	1.58	213.36	-
Goodwill	147.07	-	-	-	-		(147.07)
Intangible assets	0.46	0.44	-	0.02	-		
Right of use of assets	339.41	2.05	-	9.21	42.42	285.72	-
Financial assets	-						
(i) Investment	-	130.10	189.24	0	0	0	319.34
(ii) Loan	-	189.00	0	0	0	0	189
(iii) Other Financial assets	10.11	2.32	1.73	4.95	1.12	-	-
Deferred tax assets (net)	6.97	3.49	0.79	0.05	-	2.64	-
Non current tax assets (net)	0.77	0.52	0.13	-	0.06	0.06	-
Other non current assets	22.34	0.42	4.86	12.56	2.78	1.68	0.04
	<b>1,045.45</b>	<b>507.86</b>	<b>243.55</b>	<b>71.39</b>	<b>80.43</b>	<b>503.47</b>	<b>361.26</b>
<b>Current assets</b>							
Inventories	1,253.64	479.51	134.51	352.15	303.33	-	15.85
Financial assets	-						
(i) Trade receivables	731.93	266.41	180.42	252.14	224.40	-	191.44
(ii) Cash and cash equivalents	13.42	1.09	0.76	6.39	2.25	2.94	-
(iii) Bank balances other than cash and cash equivalents	12.27	-	-	5.45	3.40	3.42	-
(iv) Loan	-	88.29	-	-	-	-	88.29
(iv) Others Financial Assets	3.57	5.85	1.80	0.15	-	0.68	4.91
Other current assets	294.74	162.95	12.76	63.01	73.71	-	17.69
<b>Total current assets</b>	<b>2,309.57</b>	<b>1,004.10</b>	<b>330.25</b>	<b>679.29</b>	<b>607.09</b>	<b>7.04</b>	<b>318.18</b>
<b>Total</b>	<b>3,355.02</b>	<b>1,511.95</b>	<b>573.80</b>	<b>750.68</b>	<b>687.52</b>	<b>510.50</b>	<b>679.44</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	650.00	650.00	2.00	82.45	90.31	0.50	175.26
Other equity	758.28	313.98	197.15	181.29	87.19	(8.49)	12.85
	<b>1,408.28</b>	<b>963.98</b>	<b>199.15</b>	<b>263.73</b>	<b>177.50</b>	<b>(7.99)</b>	<b>188.11</b>
<b>Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	210.49	4.74	192.00	70.61	-	132.13	189.00

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

*(All amounts are in rupees million unless otherwise stated)*

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
(ii)Lease liabilities	76.80	-	-	1.26	6.35	69.20	-
Provisions	21.07	8.61	7.60	3.87	0.99	-	-
	<b>308.36</b>	<b>13.35</b>	<b>199.60</b>	<b>75.74</b>	<b>7.34</b>	<b>201.33</b>	<b>189.00</b>
<b>Current liabilities</b>							
Financial liabilities							
(i)Borrowings	1,152.78	286.42	64.37	208.87	372.68	308.75	88.29
(ii)Lease liabilities	12.67	1.90	-	10.50	0.27	-	-
(iii)Trade payables	-						
- total outstanding dues of micro and small enterprises; and	100.18	38.37	31.68	22.37	7.76	-	-
- total outstanding dues of creditors other than micro and small enterprises	207.93	155.94	24.28	129.29	89.86	-	191.44
(iv)Other financial liabilities	85.80	31.31	25.23	14.43	29.38	8.06	22.60
Other current liabilities	48.30	12.26	11.72	21.28	2.69	0.35	-
Provisions	2.98	1.89	0.71	0.34	0.04	-	-
Current Tax Liabilities (net)	27.74	6.54	17.06	4.13	-	-	-
<b>Total current liabilities</b>	<b>1,638.38</b>	<b>534.62</b>	<b>175.05</b>	<b>411.21</b>	<b>502.68</b>	<b>317.16</b>	<b>302.33</b>
<b>Total liabilities</b>	<b>1,946.74</b>	<b>547.97</b>	<b>374.65</b>	<b>486.95</b>	<b>510.02</b>	<b>518.49</b>	<b>491.33</b>
<b>Total equity and liabilities</b>	<b>3,355.02</b>	<b>1,511.95</b>	<b>573.80</b>	<b>750.68</b>	<b>687.52</b>	<b>510.50</b>	<b>679.44</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

**Entity-Wise Proforma Consolidated Balance Sheet at March 31,2022**

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	254.68	168.45	43.48	27.31	15.44	-	-
Capital work in progress	93.69	-	-	-	-	93.69	-
Intangible assets	0.51	0.46	-	0.05	-	-	-
Right of use of assets	349.47	3.36	-	13.06	44.87	288.18	-
Financial assets	-						
(i) Other financial assets	5.49	1.63	0.26	3.33	0.27	-	-
Deferred tax assets (net)	17.40	4.15	4.38	2.50	-	6.37	-
Non current tax assets (net)	2.29	2.10	0.15	-	0.01	0.03	-
Other non current assets	40.62	8.66	3.45	12.74	7.68	8.09	-
	<b>764.15</b>	<b>188.81</b>	<b>51.72</b>	<b>58.99</b>	<b>68.27</b>	<b>396.36</b>	<b>-</b>
<b>Current assets</b>							
Inventories	1,097.74	562.35	132.78	252.95	149.66	-	-
Financial assets	-						
(i) Trade receivables	558.87	259.69	66.47	157.31	151.64	-	(76.24)
(ii) Cash and cash equivalents	21.80	6.50	1.74	10.98	0.23	2.35	-
(iii) Bank balances other than cash and cash equivalents	5.46	-	-	-	2.14	3.32	-
(iv) Others Financial Assets	4.07	1.09	2.78	0.21	-	-	-
Other current assets	196.55	107.63	12.51	24.96	51.45	-	-
<b>Total current assets</b>	<b>1,884.48</b>	<b>937.26</b>	<b>216.28</b>	<b>446.41</b>	<b>355.12</b>	<b>5.67</b>	<b>(76.24)</b>
<b>Total</b>	<b>2,648.65</b>	<b>1,126.07</b>	<b>268.00</b>	<b>505.40</b>	<b>423.39</b>	<b>402.02</b>	<b>(76.24)</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	250.00	250.00	2.00	0.50	-	0.50	(3.00)
Other equity	838.70	514.41	124.15	104.41	90.21	2.52	3.00
	<b>1,088.70</b>	<b>764.41</b>	<b>126.15</b>	<b>104.91</b>	<b>90.21</b>	<b>3.02</b>	<b>0.00</b>
<b>Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	387.24	11.08	5.25	157.28	6.54	207.09	-
(ii) Lease liabilities	86.29	1.91	-	8.63	6.55	69.20	-
Provisions	17.84	7.83	6.71	3.05	0.25	-	-
	<b>491.37</b>	<b>20.82</b>	<b>11.96</b>	<b>168.96</b>	<b>13.34</b>	<b>276.29</b>	<b>-</b>
<b>Current liabilities</b>							
Financial liabilities							

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

*(All amounts are in rupees million unless otherwise stated)*

	<b>Consolidated</b>	<b>IKIO Lighting Limited</b>	<b>Fine Technology Private Limited</b>	<b>Royalux Lighting Private Limited</b>	<b>Royalux Export Private Limited</b>	<b>IKIO Solutions Private Limited</b>	<b>Eliminations</b>
(i) Borrowings	678.39	147.22	61.39	109.10	245.49	115.19	-
(ii) Lease liabilities	9.24	1.40	-	7.59	0.25	-	-
(iii) Trade payables	-	-	-	-	-	-	-
- total outstanding dues of micro and small enterprises; and	64.07	34.20	17.40	10.61	1.86	-	-
- total outstanding dues of creditors other than micro and small enterprises	168.05	106.07	15.25	58.36	58.98	5.63	(76.24)
(iv) Other financial liabilities	85.66	30.51	24.91	16.73	11.98	1.53	-
Other current liabilities	18.10	4.13	1.37	10.96	1.27	0.37	-
Provisions	5.45	4.46	0.90	0.08	0.01	-	-
Current Tax Liabilities (net)	39.62	12.85	8.67	18.10	-	-	-
<b>Total current liabilities</b>	<b>1,068.58</b>	<b>340.84</b>	<b>129.89</b>	<b>231.53</b>	<b>319.84</b>	<b>122.72</b>	<b>(76.24)</b>
<b>Total liabilities</b>	<b>1,559.95</b>	<b>361.66</b>	<b>141.85</b>	<b>400.49</b>	<b>333.18</b>	<b>399.01</b>	<b>(76.24)</b>
<b>Total equity and liabilities</b>	<b>2,648.65</b>	<b>1,126.07</b>	<b>268.00</b>	<b>505.40</b>	<b>423.39</b>	<b>402.02</b>	<b>(76.24)</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

Entity-Wise Proforma Consolidated Balance Sheet at March 31,2021

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	224.78	153.93	31.61	25.26	13.98	-	
Capital work in progress	40.79	-	-	-	-	40.79	
Intangible assets	0.62	0.50	-	0.12	-	-	
Right of use of assets	360.11	-	-	20.52	48.14	291.45	
Financial assets	-						
(i) Other financial assets	3.46	0.86	0.20	2.20	0.20	-	-
Deferred tax assets (net)	18.06	4.11	3.77	4.98	-	5.20	-
Non current tax assets (net)	2.25	2.10	0.15	-	-	-	-
Other non current assets	9.99	1.34	3.52	0.28	3.29	1.56	-
	<b>660.06</b>	<b>162.84</b>	<b>39.25</b>	<b>53.36</b>	<b>65.61</b>	<b>339.00</b>	<b>-</b>
<b>Current assets</b>							
Inventories	578.53	315.97	53.50	118.74	90.32	-	-
Financial assets	-						
(i) Trade receivables	327.55	156.38	64.31	87.58	47.80	-	(28.53)
(ii) Cash and cash equivalents	32.83	1.93	0.50	16.70	2.25	11.45	-
(iii) Bank balances other than cash and cash equivalents	3.44	0.01	0.01	-	0.23	3.19	-
(iv) Others Financials Assets	3.18	1.09	0.07	0.13	1.89	-	-
Other current assets	138.91	102.79	1.68	30.74	3.70	-	-
<b>Total current assets</b>	<b>1,084.44</b>	<b>578.17</b>	<b>120.07</b>	<b>253.89</b>	<b>146.19</b>	<b>14.64</b>	<b>(28.53)</b>
<b>Total</b>	<b>1,744.50</b>	<b>741.01</b>	<b>159.33</b>	<b>307.25</b>	<b>211.80</b>	<b>353.64</b>	<b>(28.53)</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	5.50	0.50	2.00	-	-	0.50	2.50
Other equity	623.08	482.66	55.45	35.26	41.13	11.08	(2.50)
	<b>628.58</b>	<b>483.16</b>	<b>57.45</b>	<b>35.26</b>	<b>41.13</b>	<b>11.58</b>	<b>-</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	345.88	20.88	23.71	117.64	9.25	174.40	-
(ii) Lease liabilities	92.23	-	-	16.22	6.81	69.20	-
Provisions	14.38	5.33	5.61	3.14	0.30	-	-
	<b>452.49</b>	<b>26.21</b>	<b>29.32</b>	<b>137.00</b>	<b>16.36</b>	<b>243.60</b>	<b>-</b>
<b>Current liabilities</b>							
Financial liabilities							
(i) Borrowings	347.70	28.72	24.06	61.31	137.80	95.81	-
(ii) Lease liabilities	7.86	-	-	7.63	0.23	0.00	-
(iii) Trade payables	-						
- total outstanding dues of micro and small enterprises; and	19.59	16.01	3.48	0.10	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	211.44	159.39	20.73	47.06	10.98	1.81	(28.53)
(iv) Other financial liabilities	41.21	16.09	13.74	10.23	0.52	0.63	-
Other current liabilities	22.93	9.74	4.23	3.98	4.77	0.21	-
Provisions	2.10	1.69	0.34	0.06	0.01	-	-
Current Tax Liabilities (net)	10.60	-	5.98	4.62	-	-	-
<b>Total current liabilities</b>	<b>663.43</b>	<b>231.64</b>	<b>72.56</b>	<b>134.99</b>	<b>154.31</b>	<b>98.46</b>	<b>(28.53)</b>
<b>Total liabilities</b>	<b>1,115.92</b>	<b>257.85</b>	<b>101.88</b>	<b>271.99</b>	<b>170.67</b>	<b>342.06</b>	<b>(28.53)</b>
<b>Total equity and liabilities</b>	<b>1,744.50</b>	<b>741.02</b>	<b>159.33</b>	<b>307.25</b>	<b>211.80</b>	<b>353.64</b>	<b>(28.53)</b>



**Entity-Wise Proforma Consolidated Balance Sheet at March 31,2020**

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export	IKIO Solutions Private Limited	Eliminations
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	216.98	149.97	37.07	20.88	9.06	-	
Capital work in progress	5.19	-	-	-	3.63	1.56	
Intangible assets	1.22	1.03	-	0.19	-	-	
Right of use of assets	322.71	-	-	27.98	-	294.72	
Financial assets	-						
(i) Other financial assets	3.05	0.77	0.20	2.08	-	-	-
Deferred tax assets (net)	8.89	1.38	3.17	0.50	-	3.84	-
Non current tax assets (net)	0.33	0.13	0.20	-	-	-	-
Other non current assets	7.14	0.39	3.33	0.44	2.26	0.72	-
	<b>565.50</b>	<b>153.67</b>	<b>43.97</b>	<b>52.07</b>	<b>14.95</b>	<b>300.84</b>	<b>-</b>
<b>Current assets</b>							
Inventories	371.84	169.44	38.95	88.91	74.54	-	-
Financial assets	-						
(i) Trade receivables	298.19	46.40	53.02	189.10	14.84	-	(5.17)
(ii) Cash and cash equivalents	77.59	66.04	0.60	9.74	0.26	0.95	-
(iii) Bank balances other than cash and cash equivalents	4.75	0.49	-	-	1.29	2.97	-
(iv) Others Financials Assets	5.94	0.87	1.02	0.09	3.96	-	-
Other current assets	124.45	72.89	3.95	45.65	1.96	-	-
<b>Total current assets</b>	<b>882.76</b>	<b>356.13</b>	<b>97.54</b>	<b>333.49</b>	<b>96.85</b>	<b>3.92</b>	<b>(5.17)</b>
<b>Total</b>	<b>1,448.26</b>	<b>509.80</b>	<b>141.51</b>	<b>385.56</b>	<b>111.80</b>	<b>304.76</b>	<b>(5.17)</b>
<b>Equity and liabilities</b>							
<b>Equity</b>							
Equity share capital	0.50	0.50	2.00	-	-	0.50	(2.50)
Other equity	358.49	276.02	21.51	23.81	15.42	19.23	2.50
	<b>358.99</b>	<b>276.52</b>	<b>23.51</b>	<b>23.81</b>	<b>15.42</b>	<b>19.73</b>	<b>-</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export	IKIO Solutions Private Limited	Eliminations
<b>Non-current liabilities</b>							
Financial liabilities							
(i) Borrowings	169.99	26.57	21.06	73.48	-	48.88	-
(ii) Lease liabilities	93.05	-	-	23.85	-	69.20	-
Provisions	10.19	3.62	3.71	2.59	0.27	-	-
	<b>273.23</b>	<b>30.19</b>	<b>24.77</b>	<b>99.92</b>	<b>0.27</b>	<b>118.08</b>	<b>-</b>
<b>Current liabilities</b>							
Financial liabilities							
(i) Borrowings	298.62	51.20	35.74	90.56	87.02	34.10	-
(ii) Lease liabilities	6.31	-	-	6.31	-	-	-
(iii) Trade payables	-						
- total outstanding dues of micro and small enterprises; and	5.15	0.78	4.28	0.09	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	319.54	137.77	37.64	142.99	6.31	-	(5.17)
(iv) Other financial liabilities	163.86	10.64	11.24	8.91	0.34	132.73	-
Other current liabilities	22.25	2.60	4.19	12.91	2.43	0.12	-
Provisions	0.31	0.10	0.14	0.06	0.01	-	-
Current Tax Liabilities (net)	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>816.06</b>	<b>203.09</b>	<b>93.23</b>	<b>261.83</b>	<b>96.11</b>	<b>166.95</b>	<b>(5.17)</b>
<b>Total liabilities</b>	<b>1,089.27</b>	<b>233.28</b>	<b>118.00</b>	<b>361.75</b>	<b>96.38</b>	<b>285.03</b>	<b>(5.17)</b>
<b>Total equity and liabilities</b>	<b>1,448.26</b>	<b>509.80</b>	<b>141.51</b>	<b>385.56</b>	<b>111.80</b>	<b>304.75</b>	<b>(5.17)</b>

**Proforma Consolidated Statement of Profit and Loss Account**

	Note	Year ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue</b>					
Revenue from operations	29	3,286.27	3,318.40	2,134.46	2,202.47
Other income	30	41.65	21.55	11.26	15.81
<b>Total revenue (I)</b>		<b>3,327.92</b>	<b>3,339.95</b>	<b>2,145.72</b>	<b>2,218.28</b>
<b>Expenses</b>					
Cost of materials consumed	31	2,091.53	2,096.34	1,213.83	1,392.39
Change in inventories	32	(69.88)	(174.23)	(9.70)	(0.21)
Employee benefits expenses	33	291.58	422.84	293.94	286.79
Finance costs	34	46.70	49.18	43.70	46.39
Depreciation and amortisation expenses	35	42.80	50.81	46.85	40.73
Other expenses	36	238.99	200.31	158.29	150.43
<b>Total expenses (II)</b>		<b>2,641.73</b>	<b>2,645.25</b>	<b>1,746.91</b>	<b>1,916.52</b>
<b>Profit before exceptional item and tax</b>		<b>686.19</b>	<b>694.70</b>	<b>398.81</b>	<b>301.76</b>
Prior period expenses/ (Income) (Net)			-	(0.00)	-
<b>Profit before tax</b>		<b>686.19</b>	<b>694.70</b>	<b>398.81</b>	<b>301.76</b>
<b>Tax Expense:</b>					
Current tax		162.59	187.92	120.92	92.81
Deferred tax charge/ (credit)		10.04	(0.14)	(10.17)	(7.76)
Related to Earlier Years		0.10	1.76	-	2.64
		<b>172.73</b>	<b>189.54</b>	<b>110.75</b>	<b>87.69</b>
<b>Profit after tax</b>		<b>513.47</b>	<b>505.16</b>	<b>288.06</b>	<b>214.07</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
- Remeasurement of defined benefit plans		1.25	3.13	3.54	(0.28)
- Income tax relating to these items		(0.39)	(0.80)	(1.01)	0.08
<b>Other comprehensive income for the year, net of tax</b>		<b>0.86</b>	<b>2.33</b>	<b>2.53</b>	<b>(0.20)</b>
<b>Total comprehensive income for the year</b>		<b>514.33</b>	<b>507.49</b>	<b>290.59</b>	<b>213.87</b>
<b>Earnings per equity share (in Rs.): (Based on Actual paid-up capital as at March 31, 2022)</b>					
Nominal value of Rs. 10 each (previous year Rs. 10 each)					
-Basic earning per share		<b>7.90</b>	<b>20.21</b>	<b>11.52</b>	<b>8.56</b>
-Diluted earning per share		<b>7.90</b>	<b>20.21</b>	<b>11.52</b>	<b>8.56</b>
<b>Earnings per equity share (in Rs.): (Based on paid-up capital after giving effect to Bonus issue)*</b>					
Nominal value of Rs. 10 each (previous year Rs. 10 each)					
-Basic diluted earning per share	37	7.90	7.77	4.43	3.29
-Diluted earning per share	37	7.90	7.77	4.43	3.29
Summary of significant accounting policies	1& 2				

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

*(All amounts are in rupees million unless otherwise stated)*

Note: The above statement should be read with notes to the proforma consolidated financial information

\* EPS has been calculated considering subsequent issue of 40000000 bonus share in September 2022.

As per our report of even date.

**For BGJC & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 003304N/N500056

**For and on behalf of the Board of Directors of  
IKIO Lighting Limited**

**Pranav Jain**  
Partner  
Membership No. 098308

Place: Noida  
Date: May 12, 2023

**Hardeep Singh**  
Managing Director  
DIN: 00118729

Place: Noida  
Date: May 12, 2023

**Surmeet Kaur**  
Whole Time Director  
DIN: 00118695

Place: Noida  
Date: May 12, 2023

**Subhash Agrawal**  
CFO

Place: Noida  
Date: May 12, 2023

**Sandeep Agarwal**  
Company Secretary  
M. No.: 066255

Place: Noida  
Date: May 12, 2023

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

**Entity Wise Proforma Consolidated Statement of Profit and Loss for the period ended December 31,2022**

Particulars	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Revenue</b>							
Revenue from operations	3,286.27	1,802.82	519.98	979.38	490.29	-	506.21
Other income	41.65	11.67	0.69	4.46	30.56	0.15	5.88
<b>Total revenue (I)</b>	<b>3,327.92</b>	<b>1,814.49</b>	<b>520.67</b>	<b>983.86</b>	<b>520.85</b>	<b>0.15</b>	<b>512.09</b>
<b>Expenses</b>							
Cost of materials consumed	2,091.53	1,297.34	293.35	592.61	398.59	-	490.35
Change in Inventories	(69.88)	13.99	(4.84)	(15.06)	(63.97)	-	-
Employee benefits expenses	291.58	144.44	65.66	70.76	10.71	-	-
Finance costs	46.70	11.04	8.66	20.53	7.47	4.93	5.93
Depreciation and amortisation expenses	42.80	21.28	6.64	8.86	3.57	2.46	-
Other expenses	238.99	57.61	48.11	56.37	76.87	-	-
<b>Total expenses (II)</b>	<b>2,641.73</b>	<b>1,545.70</b>	<b>417.57</b>	<b>734.07</b>	<b>433.25</b>	<b>7.39</b>	<b>496.28</b>
<b>Profit before tax (I)-(II)</b>	<b>686.19</b>	<b>268.79</b>	<b>103.11</b>	<b>249.77</b>	<b>87.60</b>	<b>(7.24)</b>	<b>15.81</b>
<b>Tax Expense</b>							
Current tax	162.59	69.50	27.43	65.62	-	0.04	
Deferred tax charge/ (credit)	10.04	0.40	3.39	2.52	-	3.73	
Related to Earlier Years	0.10	0.05	(0.10)	0.16	-		
	<b>172.73</b>	<b>69.95</b>	<b>30.72</b>	<b>68.30</b>	<b>-</b>	<b>3.77</b>	<b>-</b>
<b>Profit after tax</b>	<b>513.47</b>	<b>198.84</b>	<b>72.39</b>	<b>181.47</b>	<b>87.60</b>	<b>(11.01)</b>	<b>15.81</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
- Remeasurement of defined benefit plans	1.25	0.97	0.82	(0.26)	(0.28)		
- Income tax relating to these items	(0.39)	(0.24)	(0.21)	0.07	-		
<b>Other comprehensive income for the year, net of tax</b>	<b>0.86</b>	<b>0.73</b>	<b>0.61</b>	<b>(0.19)</b>	<b>(0.28)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>514.33</b>	<b>199.57</b>	<b>73.00</b>	<b>181.28</b>	<b>87.32</b>	<b>(11.01)</b>	<b>15.81</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
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*(All amounts are in rupees million unless otherwise stated)*

**Entity Wise Proforma Consolidated Statement of Profit and Loss for Fiscal 2022**

Particulars	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Revenue</b>							
Revenue from operations	3,318.40	2,198.95	473.53	788.14	327.47	-	(469.69)
Other income	21.55	8.24	0.98	6.22	6.11	0.15	(0.15)
<b>Total revenue (I)</b>	<b>3,339.95</b>	<b>2,207.19</b>	<b>474.51</b>	<b>794.36</b>	<b>333.58</b>	<b>0.15</b>	<b>(469.84)</b>
<b>Expenses</b>							
Cost of materials consumed	2,096.34	1,523.50	260.73	482.93	298.87	-	(469.69)
Change in Inventories	(174.23)	(68.06)	(12.98)	(23.58)	(69.61)	-	-
Employee benefits expenses	422.84	263.82	73.05	78.23	7.73	-	-
Finance costs	49.18	5.34	4.67	22.04	10.56	6.57	-
Depreciation and amortisation expenses	50.81	24.47	7.01	11.52	4.54	3.27	-
Other expenses	200.31	78.19	49.24	40.41	32.62	-	(0.15)
<b>Total expenses (II)</b>	<b>2,645.25</b>	<b>1,827.26</b>	<b>381.72</b>	<b>611.54</b>	<b>284.71</b>	<b>9.84</b>	<b>(469.84)</b>
<b>Profit before tax (I)-(II)</b>	<b>694.70</b>	<b>379.93</b>	<b>92.79</b>	<b>182.82</b>	<b>48.87</b>	<b>(9.69)</b>	<b>0.00</b>
<b>Tax Expense</b>							
Current tax	187.92	99.11	24.15	64.62	-	0.04	
Deferred tax charge/ (credit)	(0.14)	(0.42)	(0.62)	2.07	-	(1.17)	
Related to Earlier Years	1.76	1.14	0.57	0.06	-		
	<b>189.54</b>	<b>99.83</b>	<b>24.10</b>	<b>66.75</b>	<b>-</b>	<b>(1.13)</b>	<b>-</b>
<b>Profit after tax</b>	<b>505.16</b>	<b>280.10</b>	<b>68.69</b>	<b>116.06</b>	<b>48.87</b>	<b>(8.56)</b>	<b>0.00</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
- Remeasurement of defined benefit plans	3.13	1.53	0.02	1.37	0.21		
- Income tax relating to these items	(0.80)	(0.38)	(0.01)	(0.41)	-		
<b>Other comprehensive income for the year, net of tax</b>	<b>2.33</b>	<b>1.15</b>	<b>0.01</b>	<b>0.96</b>	<b>0.21</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>507.49</b>	<b>281.25</b>	<b>68.70</b>	<b>117.02</b>	<b>49.08</b>	<b>(8.56)</b>	<b>0.00</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

**Entity Wise Proforma Consolidated Statement of Profit and Loss for Fiscal 2021**

Particulars	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Revenue</b>							
Revenue from operations	2,134.46	1,596.63	310.05	387.21	80.39	-	(239.82)
Other income	11.26	3.76	3.66	0.83	2.80	0.23	(0.02)
<b>Total revenue (I)</b>	<b>2,145.72</b>	<b>1,600.39</b>	<b>313.71</b>	<b>388.04</b>	<b>83.19</b>	<b>0.23</b>	<b>(239.84)</b>
<b>Expenses</b>							
Cost of materials consumed	1,213.83	1,052.30	154.89	189.01	57.46	-	(239.82)
Change in Inventories	(9.70)	7.32	5.75	(7.08)	(15.70)	-	-
Employee benefits expenses	293.94	194.40	57.68	37.56	4.30	-	-
Finance costs	43.70	5.61	4.62	18.45	8.45	6.57	-
Depreciation and amortisation expenses	46.85	24.60	6.76	10.52	1.70	3.27	-
Other expenses	158.29	39.79	41.39	53.20	23.93	-	(0.02)
<b>Total expenses (II)</b>	<b>1,746.91</b>	<b>1,324.02</b>	<b>271.09</b>	<b>301.66</b>	<b>80.14</b>	<b>9.84</b>	<b>(239.84)</b>
<b>Profit before tax (I)-(II)</b>	<b>398.81</b>	<b>276.37</b>	<b>42.62</b>	<b>86.38</b>	<b>3.05</b>	<b>(9.61)</b>	<b>0.00</b>
<b>Tax Expense</b>							
Current tax	120.92	73.58	11.16	36.12	-	0.06	-
Deferred tax charge/ (credit)	(10.17)	(3.01)	(0.81)	(5.00)	-	(1.35)	-
Related to Earlier Years	-	-	-	-	-	-	-
	<b>110.75</b>	<b>70.57</b>	<b>10.35</b>	<b>31.12</b>	<b>-</b>	<b>(1.29)</b>	<b>-</b>
<b>Profit after tax</b>	<b>288.06</b>	<b>205.80</b>	<b>32.27</b>	<b>55.26</b>	<b>3.05</b>	<b>(8.32)</b>	<b>0.00</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
- Remeasurement of defined benefit plans	3.55	1.13	0.81	1.50	0.10	-	-
- Income tax relating to these items	(1.01)	(0.29)	(0.20)	(0.52)	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>2.53</b>	<b>0.84</b>	<b>0.61</b>	<b>0.98</b>	<b>0.10</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>290.59</b>	<b>206.64</b>	<b>32.88</b>	<b>56.24</b>	<b>3.15</b>	<b>(8.32)</b>	<b>0.00</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
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(All amounts are in rupees million unless otherwise stated)

**Entity Wise Proforma Consolidated Statement of Profit and Loss for Fiscal 2020**

Particulars	Consolidated	IKIO Lighting Limited	Fine Technology Private Limited	Royalux Lighting Private Limited	Royalux Export Private Limited	IKIO Solutions Private Limited	Eliminations
<b>Revenue</b>							
Revenue from operations	2,202.47	1,406.48	326.97	607.76	89.97	-	(228.72)
Other income	15.81	0.84	1.83	11.29	1.69	0.16	-
<b>Total revenue (I)</b>	<b>2,218.28</b>	<b>1,407.32</b>	<b>328.80</b>	<b>619.05</b>	<b>91.66</b>	<b>0.16</b>	<b>(228.72)</b>
<b>Expenses</b>							
Cost of materials consumed	1,392.38	954.01	218.34	399.19	49.56	-	(228.72)
Change in Inventories	(0.21)	(10.39)	(6.96)	2.36	14.78	-	-
Employee benefits expenses	286.79	162.32	58.89	60.95	4.63	-	-
Finance costs	46.39	20.92	4.58	19.48	1.41	-	-
Depreciation and amortisation expenses	40.73	22.44	7.58	10.13	0.58	-	-
Other expenses	150.43	37.17	36.02	54.03	23.21	-	-
<b>Total expenses (II)</b>	<b>1,916.51</b>	<b>1,186.47</b>	<b>318.45</b>	<b>546.14</b>	<b>94.17</b>	<b>(0.00)</b>	<b>(228.72)</b>
<b>Profit before tax (I)-(II)</b>	<b>301.77</b>	<b>220.85</b>	<b>10.35</b>	<b>72.91</b>	<b>(2.51)</b>	<b>0.16</b>	<b>0.00</b>
<b>Tax Expense</b>							
Current tax	92.82	60.50	4.88	27.39	-	0.04	-
Deferred tax charge/ (credit)	(7.76)	(2.20)	(1.28)	(0.44)	-	(3.84)	-
Related to Earlier Years	2.64	2.62	-	0.02	-	-	-
	<b>87.70</b>	<b>60.92</b>	<b>3.60</b>	<b>26.97</b>	<b>-</b>	<b>(3.80)</b>	<b>-</b>
<b>Profit after tax</b>	<b>214.07</b>	<b>159.93</b>	<b>6.75</b>	<b>45.94</b>	<b>(2.51)</b>	<b>3.96</b>	<b>0.00</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified to profit or loss</b>							
- Remeasurement of defined benefit plans	(0.28)	(0.04)	(0.05)	(0.19)	-	-	-
- Income tax relating to these items	0.08		0.01	0.07	-	-	-
<b>Other comprehensive income for the year, net of tax</b>	<b>(0.20)</b>	<b>(0.05)</b>	<b>(0.04)</b>	<b>(0.12)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>213.87</b>	<b>159.89</b>	<b>6.71</b>	<b>45.82</b>	<b>(2.51)</b>	<b>3.96</b>	<b>0.00</b>



**Proforma Consolidated Statement of cash flows**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>				
Net profit before tax	686.19	694.70	398.81	301.76
<b>Adjustments for:</b>				
Depreciation and amortisation	42.80	50.82	39.39	40.74
Finance cost	46.70	49.18	43.70	46.39
Income other than operating income	(1.18)	(3.26)	(1.43)	(0.68)
(Profit)/loss on sale of property, plant & equipment	(0.37)	0.22	1.98	(10.64)
Balances Written Off	(6.96)	0.00	17.15	
Other comprehensive Income				(0.09)
Provision for Expected credit Loss	1.61	0.19	-	4.62
Deemed Equity		-	0.17	15.27
<b>Operating profit before working capital changes</b>	<b>768.79</b>	<b>791.85</b>	<b>499.77</b>	<b>397.37</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>				
Inventories	(155.90)	(519.21)	(206.69)	(163.14)
Trade receivables	(174.67)	(231.32)	(45.90)	(36.42)
Other Non current financial assets	(4.62)	-	-	-
Other non current assets	18.29	-	-	-
Other current financial assets	0.53	(2.99)	1.53	2.67
Other current assets	(98.20)	(80.58)	(17.32)	(61.45)
<b>Adjustment for increase / (decrease) in operating liabilities:</b>				
Trade payables	75.98	1.10	(93.28)	66.76
Other financial liabilities	0.14	44.62	(122.69)	128.34
Other current liabilities	30.20	(9.45)	5.30	8.88
Provisions	8.60	7.17	9.01	4.36
<b>Cash generated from operations</b>	<b>469.15</b>	<b>1.19</b>	<b>29.73</b>	<b>347.37</b>
Taxes and interest thereon paid	(173.23)	(156.03)	(116.11)	(115.45)
<b>Net cash used in operating activities</b>	<b>295.92</b>	<b>(154.84)</b>	<b>(86.38)</b>	<b>231.92</b>
<b>B. Cash flow from investing activities:</b>				
(Purchase)/Sale of PPE/ Intangible/ Rou Assets	(200.47)	(91.71)	(63.87)	26.65
Movement in Bank Deposits	(6.81)	(2.02)	1.31	(4.38)
Acquisition of investment in subsidiaries	(147.07)	-	-	-
Interest income	1.18	1.65	1.42	0.76
Lease Liability		-	-	3.47
<b>Net cash used in from investing activities</b>	<b>(353.16)</b>	<b>(92.08)</b>	<b>(61.14)</b>	<b>26.50</b>
<b>C. Cash flow from financing activities:</b>				
Net (decrease)/increase in long term borrowings from banks	402.05	41.36	175.89	43.01
Net (decrease)/increase in borrowings from related parties	(104.41)	-	-	-

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Net increase/(decrease) in short term borrowings from banks		330.69	49.08	73.08
Payment of lease liabilities	(14.43)	(17.26)	(54.84)	(229.79)
Finance cost paid	(40.14)	(76.72)	(45.14)	(46.39)
Transfer of Proprietor/ Partners Capital	(194.20)	(42.18)	(22.23)	(45.16)
<b>Net cash generated/(used in) from financing activities</b>	<b>48.86</b>	<b>235.89</b>	<b>102.76</b>	<b>(205.25)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(8.38)</b>	<b>(11.03)</b>	<b>(44.76)</b>	<b>53.17</b>
<b>Cash and cash equivalents (refer to note 13)</b>				
-at beginning of the year	21.80	32.83	77.59	24.42
-at end of the year	<b>13.42</b>	<b>21.80</b>	<b>32.83</b>	<b>77.59</b>
<b>Notes to cash flow statement</b>				
<b>(i) Cash and cash equivalents comprise</b>				
Balances with banks:	9.39	18.44	32.02	76.56
– On current accounts	4.03	3.36	0.81	1.03
Cash on hand	<b>13.42</b>	<b>21.80</b>	<b>32.83</b>	<b>77.59</b>

Note: The above statement should be read with notes to the proforma consolidated financial information

(iii). The cash flow statement has been prepared under the indirect method as set out in Ind AS 7 Cash Flow Statements.

(iv). Notes to the Financials Statements are integral part of the Cash Flow Statement.

As per our report of even date.

**For BGJC & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 003304N/N500056

**Pranav Jain**  
Partner  
Membership No. 098308

Place: Noida  
Date: May 12, 2023

**For and on behalf of the Board of Directors of  
IKIO Lighting Limited**

**Hardeep Singh**  
Managing Director  
DIN: 00118729

Place: Noida  
Date: May 12, 2023

**Subhash Agrawal**  
CFO

Place: Noida  
Date: May 12, 2023

**Surmeet Kaur**  
Whole Time Director  
DIN: 00118695

Place: Noida  
Date: May 12, 2023

**Sandeep Agarwal**  
Company Secretary  
M. No.: 066255

Place: Noida  
Date: May 12, 2023

**A. Equity Share Capital\*\***

<b>Equity Share Capital**</b>	
<b>Balance as at April 01, 2019</b>	
Change in equity share capital during 2019-20	0.50
<b>Balance as at April 01, 2020</b>	<b>0.50</b>
Change in equity share capital during 2020-21	-
<b>Balance as at March 31, 2021</b>	<b>0.50</b>
Change in equity share capital during 2021-22	
Issue of Bonus Shares	249.50
<b>Balance as at March 31, 2022</b>	<b>250.00</b>
Change in equity share capital during 2022-23	-
Issue of Bonus Shares	400.00
<b>Balance as at December 31, 2022</b>	<b>650.00</b>

<b>Particulars</b>	<b>Attributable to Owners of the Company</b>				
	<b>Reserves &amp; Surplus</b>		<b>Capital Reserve</b>	<b>Remeasurement of defined benefit plans</b>	<b>Total attributable to owners of the company</b>
	<b>Equity Component</b>	<b>Retained Earnings</b>			
<b>Balance as at April 01, 2019</b>	-	<b>143.99</b>	<b>17.92</b>	-	<b>161.91</b>
Profit for the year	-	178.04	-	-	178.04
Other comprehensive Income	-	-	-	(0.20)	(0.20)
Equity component of interest free loan from Promoter	18.74	-	-	-	18.74
<b>Total Comprehensive Income</b>	<b>18.74</b>	<b>178.04</b>	-	<b>(0.20)</b>	<b>196.58</b>
Adjustment during the year	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>18.74</b>	<b>322.03</b>	<b>17.92</b>	<b>(0.20)</b>	<b>358.49</b>
Profit for the year	-	265.83	-	-	265.83
Other comprehensive Income	-	-	-	2.53	2.53
Equity component of interest free loan from Promoter	1.23	-	-	-	1.23
<b>Total Comprehensive Income</b>	<b>1.23</b>	<b>265.83</b>	-	<b>2.53</b>	<b>269.59</b>
Adjustment during the year	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transfer from Retained earnings	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>19.97</b>	<b>587.74</b>	<b>17.92</b>	<b>2.45</b>	<b>628.08</b>
Profit for the year	-	505.16	0.50	-	505.66
Other comprehensive Income	-	-	-	2.33	2.33
<b>Total Comprehensive Income</b>	-	<b>505.16</b>	<b>0.50</b>	<b>2.33</b>	<b>507.99</b>
Issue of Bonus Share	-	(249.50)	-	-	(249.50)
Transfer to general reserve	-	-	-	-	-
Transfer from Retained earnings	-	(47.87)	-	-	(47.87)
<b>Balance as at March 31, 2022</b>	<b>19.97</b>	<b>795.53</b>	<b>18.42</b>	<b>4.78</b>	<b>838.70</b>
Profit for the year	-	513.47	-	-	513.47
Other comprehensive Income	-	-	-	0.86	0.86
<b>Total Comprehensive Income</b>	-	<b>513.47</b>	-	<b>0.86</b>	<b>514.33</b>
Issue of Bonus Share	-	(400.00)	-	-	(400.00)
Transfer to general reserve	-	-	-	-	-

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
Proforma Consolidated Financial Information

(All amounts are in rupees million unless otherwise stated)

Particulars	Attributable to Owners of the Company				
	Reserves & Surplus		Capital Reserve	Remeasurement of defined benefit plans	Total attributable to owners of the company
	Equity Component	Retained Earnings			
Transfer from Retained earnings	-	(194.75)	-	-	(194.75)
<b>Balance as at December 31,2022</b>	<b>19.97</b>	<b>714.25</b>	<b>18.42</b>	<b>5.64</b>	<b>758.28</b>

**For BGJC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 003304N/N500056

**For and on behalf of the Board of Directors of**

**IKIO Lighting Limited**

**Pranav Jain**

Partner

Membership No. 098308

Place: Noida

Date: May 12, 2023

**Hardeep Singh**

Managing Director

DIN: 00118729

Place: Noida

Date: May 12, 2023

**Surmeet Kaur**

Whole Time Director

DIN: 00118695

Place: Noida

Date: May 12, 2023

**Subhash Agrawal**

CFO

Place: Noida

Date: May 12, 2023

**Sandeep Agarwal**

Company Secretary

M. No.: 066255

Place: Noida

Date: May 12, 2023

## **Proforma Consolidated Financial Information – Background and Preparation**

IKIO Lighting Limited (formerly IKIO Lighting Private Limited) and Companies/entity under common control of promoter (collectively referred to as “the Group”) is a company domiciled in India, with its registered office situated at Delhi. The Company was incorporated in India on March 21, 2016. Subsequent to the year end, the Company has received approval from the Ministry of Corporate Affairs on April 18, 2022, for the change of name from IKIO Lighting Private Limited to IKIO Lighting Limited. The Group is a leading manufacturer of LED Lighting in India.

## **Notes to the Proforma Consolidated Financial Information**

### **1. Basis of preparation**

#### **(i) Statement of compliance:**

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Group’s financial statements up to and for the year ended March 31, 2021 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act as per IGAAP (“Previous GAAP”).

The Group control an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-Group transactions, balances and income and expenses are eliminated in full on consolidation.

The Consolidated financial statements of the Group are prepared for the purpose of inclusion in relevant documents in connection with proposed Initial Public Offering of the Company.

These Ind AS consolidated financial statements were authorised for issue by the Company’s Board of Directors on June 22, 2022.

The significant accounting policies adopted in the preparation of these financial statements are included in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accompanying Consolidated financial statements reflect the results of the activities undertaken by the Group during the period April 01, 2022 to December 31, 2022.

- (ii) **Current and non-current classification:** All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the above criteria, the Group have ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.
- (iii) **Functional and presentation currency:** The consolidated financial statements are presented in Indian Rupees (₹), which is also the Group’s functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.
- (iv) **Basis of measurement:** The consolidated financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations.

## **Use of estimates and judgements**

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note no 40: leases: whether an arrangement contains a lease;
- Note no 48: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

## **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ending December 31, 2022 is included in the following notes:

- Note no 3: measurement of useful lives and residual values to property, plant and equipment;
- Note no 3 & 5: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note no 5: measurement of useful lives of intangible assets;
- Note no 51: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note no 38: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;
- Note no 43: measurement of defined benefit obligations: key actuarial assumptions;
- Note no 48: Fair value measurement of financial instruments and impairment of financial assets.

### **(v) Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2.1 Summary of significant accounting policies**

### **a) Revenue**

In recognising revenue, the Group applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Group earns revenue from sales of LED lighting and other related products

#### Revenue from sale of LED lighting

Revenue from Sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods i.e. when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

#### **Use of significant judgements in revenue recognition: -**

- The performance obligation is satisfied upon delivery of the goods.
- At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company/Entity delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.
- Contract fulfilment costs are expensed as incurred.

#### Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

#### Other income

In respect of other heads of income, the Group follows the practice of recognising income on accrual basis.

### **b) Property, plant and equipment**

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

#### Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

#### Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

<b>Particulars</b>	<b>Useful lives (in years)</b>
Tangible assets:	
Building	60
Furniture and fixtures	08-10
Plant & Machinery	15
Office equipment	5
Vehicle	08-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

#### **c) Intangible assets**

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the written down value method and is included in depreciation and amortisation expense in the statement of profit and loss.

The useful lives of intangible assets are as follows:

#### **Intangible assets: Useful lives (in years)**

Software	5
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Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of, and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

#### **d) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

#### **e) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **f) Financial instruments**

##### **i. Recognition and initial measurement**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

##### **ii. Classification and subsequent measurement**

###### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group assess the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional

compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

**vi. Offsetting**

Financial assets and monetary liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**vii. Derecognition**

*Financial assets*

The Group derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enter into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Group derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

**viii. Impairment of financial instruments:**

The Group recognise loss allowances for expected credit losses on:-

- (i) Financial assets measured at amortised cost; and

(ii) Financial assets measured at FVOCI- debt investments

At each reporting date, the Group assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit- impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assume that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Group consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**g) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

## **h) Employee Benefits**

### **Short term employee benefits:**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

### **Long term employee benefits**

#### ***Defined contribution plan: Provident fund***

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Group has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

#### ***Defined Benefit Plan: Gratuity***

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group provide for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Group's determine the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### ***Other long-term benefits: Compensated absences***

Benefits under the Group's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method. done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

## **i) Income tax**

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

#### **j) Contingent Liability, Contingent Asset and Provisions**

##### Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

##### Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

##### Provisions

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### **k) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

#### **l) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

#### **m) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

5. Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
6. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.
7. Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.
8. Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 42 for segment information.

#### **n) Leases**

##### **Company/Entities as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Company/Entities as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group are an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

### **Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, *Property Plant and equipment* – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its *financial statements*.

Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets* – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group have evaluated the amendment and the impact is not expected to be material.



(All amounts are in rupees million unless otherwise stated)

3. Property, Plant and Equipment

Period ended 31-Dec-22	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2022	Additions during the period	Disposal/ Adjustment	As at Dec 31, 2022	As at April 1, 2022	For the period	Disposal/ Adjustment	As at Dec 31, 2022	As at Dec 31, 2022
Building	33.76	-	-	33.76	5.63	2.01	-	7.64	26.12
Computer	2.14	2.40	-	4.54	1.23	1.01	-	2.24	2.30
Plant & machinery	194.49	65.41	2.74	257.16	42.04	22.34	0.52	63.85	193.31
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	4.19	1.56	-	5.75	1.03	0.53	0.05	1.51	4.24
Vehicles	38.73	10.47	-	49.20	13.05	4.92	-	17.97	31.23
Office equipment	10.36	3.02	-	13.38	2.69	1.19	-	3.88	9.50
	<b>320.35</b>	<b>82.86</b>	<b>2.74</b>	<b>400.47</b>	<b>65.67</b>	<b>32.00</b>	<b>0.57</b>	<b>97.09</b>	<b>303.38</b>

2021-22	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	As at Mar 31, 2022
Building	33.76	-	-	33.76	2.68	2.95	-	5.63	28.13
Computer	1.50	0.64	-	2.14	0.60	0.63	-	1.23	0.91
Plant & machinery	138.99	58.22	2.72	194.49	21.14	21.90	1.00	42.04	152.45
Land	36.68	-	-	36.68	-	-	-	-	36.68
Furniture & fixtures	3.98	0.34	0.13	4.19	0.54	0.52	0.03	1.03	3.16
Vehicles	32.55	6.18	-	38.73	5.21	7.84	-	13.05	25.68
Office equipment	8.52	1.97	0.13	10.36	1.03	1.69	0.04	2.69	7.67
	<b>255.98</b>	<b>67.35</b>	<b>2.98</b>	<b>320.35</b>	<b>31.20</b>	<b>35.53</b>	<b>1.07</b>	<b>65.67</b>	<b>254.68</b>

2020-21	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	As at Mar 31, 2021
Building	33.76	-	-	33.76		2.68	-	2.68	31.08
Computer	1.28	0.22	-	1.5		0.60	-	0.60	0.90
Plant & machinery	107.11	32.92	1.05	138.99		21.51	0.37	21.14	117.85
Land	36.68	-	-	36.68		-	-	-	36.68
Furniture & fixtures	3.66	0.55	0.22	3.98		0.56	0.02	0.54	3.44
Vehicles	32.08	7.98	7.50	32.55		8.21	3.00	5.21	27.34
Office equipment	2.42	6.15	0.05	8.52		1.06	0.03	1.03	7.49
	<b>216.98</b>	<b>47.82</b>	<b>8.82</b>	<b>255.98</b>		<b>34.62</b>	<b>3.42</b>	<b>31.20</b>	<b>224.78</b>

**Ikio Lighting Limited** (Formerly known as Ikio Lighting Private Limited)  
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(All amounts are in rupees million unless otherwise stated)

2019-20	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at March 31, 2020	As at March 31, 2020
Building	62.40	0.10	24.55	37.95	-	4.36	0.17	4.19	33.76
Computer	1.49	1.60	-	3.09	-	1.81	-	1.81	1.28
Plant & machinery	95.59	30.86	1.75	124.70	-	17.59	-	17.59	107.11
Land	40.20	-	3.52	36.68	-	-	-	-	36.68
Furniture & fixtures	3.38	0.90	0.08	4.20	-	0.54	-	0.54	3.66
Vehicles	21.12	20.92	2.43	39.61	-	7.53	-	7.53	32.08
Office equipment	2.26	1.12	0.12	3.26	-	0.85	-	0.85	2.42
	<b>226.44</b>	<b>55.50</b>	<b>32.45</b>	<b>249.49</b>	<b>-</b>	<b>32.68</b>	<b>0.17</b>	<b>32.51</b>	<b>216.98</b>

Footnote:

(i) The group has elected Ind AS 101 exemption and continues with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition

(ii) There are no impairment losses recognised during the period / year.

(iii) There are no exchange differences adjusted in property, plant & equipment.

(iv) Refer note no 38 for capital commitments

(v) The Group has not carried out any revaluation of property, plant and equipment for the period ended December 31, 2022 and year ended March 31, 2022 March 31, 2021 and March 31, 2020.

(vi) Refer note no 19 and 22 regarding hypothecation/pledge of Property, Plant and Equipment against the borrowings from banks.

4. Capital work-in-progress

Particulars	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Opening balance</b>	93.69	40.79	5.19	5.19
<b>Addition during the year:</b>				
Preliminary Expenses		12.75	25.64	-
Building under construction	100.36	34.98	8.95	-
Interest Expense	-	5.17	4.64	-
	20.90			
<b>Capitalised during the year:</b>				
Plant and machinery		-	-	-
Office Equipment		-	(3.63)	-
<b>Balance at the end</b>	<b>214.94</b>	<b>93.69</b>	<b>40.79</b>	<b>5.19</b>

**Ageing schedule for capital work-in-progress as at December 31,2022**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	121.25	52.90	39.23	1.56	<b>214.94</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>121.25</b>	<b>52.90</b>	<b>39.23</b>	<b>1.56</b>	<b>214.94</b>

(All amounts are in rupees million unless otherwise stated)

**Ageing schedule for capital work-in-progress as at March 31, 2022**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	52.90	39.23	1.56	-	<b>93.69</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>52.90</b>	<b>39.23</b>	<b>1.56</b>	<b>-</b>	<b>93.69</b>

**Ageing schedule for capital work-in-progress as at March 31, 2021**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	39.23	1.56	-	-	<b>40.79</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>39.23</b>	<b>1.56</b>	<b>-</b>	<b>-</b>	<b>40.79</b>

**Ageing schedule for capital work-in-progress as at March 31, 2020**

Particulars	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	5.06	0.13	-	-	<b>5.19</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5.06</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>5.19</b>

There is no Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no disclosures are required.

5. Intangible Assets

Period ended 31-Dec-22	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2022	Additions during the period	Disposal/ Adjustment	As at December 31,2022	As at April 1, 2022	For the period	Disposal/ Adjustment	As at December 31,2022	As at December 31,2022
Computer software	1.65	0.23	-	1.88	1.14	0.28	-	1.42	0.46
	<b>1.65</b>	<b>0.23</b>	<b>-</b>	<b>1.88</b>	<b>1.14</b>	<b>0.28</b>	<b>-</b>	<b>1.42</b>	<b>0.46</b>

2021-22	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2021	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2022	As at April 1, 2021	For the year	Disposal/ Adjustment	As at Mar 31, 2022	As at Mar 31, 2022
Computer software	1.35	0.30	-	1.65	0.73	0.41	-	1.14	0.51
	<b>1.35</b>	<b>0.30</b>	<b>-</b>	<b>1.65</b>	<b>0.73</b>	<b>0.41</b>	<b>-</b>	<b>1.14</b>	<b>0.51</b>

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(All amounts are in rupees million unless otherwise stated)

2020-21	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2020	Additions during the year	Disposal/ Adjustment	As at Mar 31, 2021	As at April 1, 2020	For the year	Disposal/ Adjustment	As at Mar 31, 2021	As at Mar 31, 2021
Computer software	1.22	0.13	-	1.35		0.73	-	0.73	0.62
	<b>1.22</b>	<b>0.13</b>	<b>-</b>	<b>1.35</b>		<b>0.73</b>	<b>-</b>	<b>0.73</b>	<b>0.62</b>

2019-20	Gross block (at cost)				Accumulated depreciation				Net block
Description	As at April 1, 2019	Additions during the year	Disposal/ Adjustment	As at March 31, 2020	As at April 1, 2019	For the year	Disposal/ Adjustment	As at Mar 31, 2020	As at Mar 31, 2020
Computer software	0.26	1.62	-	1.88	-	0.66	-	0.66	1.22
	<b>0.26</b>	<b>1.62</b>	<b>-</b>	<b>1.88</b>	<b>-</b>	<b>0.66</b>	<b>-</b>	<b>0.66</b>	<b>1.22</b>

Footnote:

- (i) There are no internally generated intangible assets.
- (ii) The group has not carried out any revaluation of intangible assets for the period ended 31 December 2022 ,for the year ended March 31, 2022, March 31, 2021 and April 01, 2020.
- (iii) There are no other restriction on title of intangible assets other than as already disclosed.
- (iv) There are no exchange differences adjusted in intangible assets.
- (v)The group have not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.
- (vi) The Company has elected Ind AS 101 exemption and continues with the carrying value for all of its intangible assets as its deemed cost as at the date of transition.

6. Right of use Assets

Reconciliation of carrying value	Amount
<b>Gross carrying amount as on April 01, 2019</b>	-
Opening balance	37.31
Addition during the year	294.72
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount March 31, 2020</b>	<b>332.03</b>
Addition during the year	48.96
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount March 31, 2021</b>	<b>380.99</b>
Addition during the year	4.05
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount March 31, 2022</b>	<b>385.04</b>
<b>Addition during the period</b>	<b>1.80</b>
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing gross carrying amount December 31,2022</b>	<b>386.84</b>

(All amounts are in rupees million unless otherwise stated)

<b>Reconciliation of carrying value</b>	<b>Amount</b>
<b>Accumulated amortisation &amp; impairment</b>	
Opening balance	1.87
Amortisation for the year	7.46
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as on March 31, 2020</b>	<b>9.33</b>
<b>Accumulated amortisation &amp; impairment</b>	
Amortisation for the year	11.55
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as on March 31,2021</b>	<b>20.88</b>
<b>Accumulated amortisation &amp; impairment</b>	
Amortisation for the year	14.69
Reversal due to closure of lease agreement (Refer footnote)	-
<b>Closing accumulated amortisation &amp; impairment as on March 31,2022</b>	<b>35.57</b>
Amortisation for the period	11.86
Reversal due to closure of lease agreement (Refer footnote)	
<b>Closing accumulated amortisation &amp; impairment as on December 31,2022</b>	<b>47.43</b>
Net carrying amount as at April 01, 2020	322.70
Net carrying amount as at March 31, 2021	360.11
Net carrying amount as at March 31,2022	349.47
Net carrying amount as at December 31,2022	339.41

Note : i) During the period ended December 31, 2022 and year ended March 31, 2022 March 31,2021 March 31,2020 the company recognised right of use assets as per Ind AS 116 Leases (Refer note no 40)

<b>7</b>	<b>Other Financial Assets</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Security deposit	10.06	5.44	3.41	3.00
	Fixed Deposit	0.05	0.05	0.05	0.05
		<b>10.11</b>	<b>5.49</b>	<b>3.46</b>	<b>3.05</b>

<b>8</b>	<b>Deferred tax assets</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Deferred tax assets	6.97	17.40	18.06	8.89
		<b>6.97</b>	<b>17.40</b>	<b>18.06</b>	<b>8.89</b>

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9	Other non current tax assets	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Income tax refundable ( Net of Cumulative Provision for Tax of CY )	0.77	2.29	2.25	0.33
		<b>0.77</b>	<b>2.29</b>	<b>2.25</b>	<b>0.33</b>

10	Other non current assets	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Balance with government authorities	18.73	25.24	7.91	5.90
	Capital Advances	2.84	14.78	0.88	0.72
	Prepaid rent	0.03	-	0.03	-
	Prepaid expenses	0.66	-	0.37	0.08
	Prepaid Lease Rent	0.08	0.60	0.80	0.44
		<b>22.34</b>	<b>40.62</b>	<b>9.99</b>	<b>7.14</b>

11	Inventories	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Valued at lower of cost and net realisable value, unless otherwise stated				
	Raw materials	928.63	876.78	503.66	307.23
	Work-in-progress	214.55	152.70	36.76	32.45
	Finished goods	103.88	66.46	28.92	31.38
	Other		-	-	-
	(i) Stock in transit	6.58	1.80	9.02	-
	Others (scrap)		-	0.17	0.78
		<b>1,253.64</b>	<b>1,097.74</b>	<b>578.53</b>	<b>371.84</b>

Inventories are pledged as security for borrowings taken from bank (refer note no 19 and 22)

12	Trade receivables	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Unsecured				
	Considered good	672.63	518.94	284.68	280.31
	Having significant increase in credit risk	70.44	53.15	56.51	22.51
	Less: provision for the expected credit loss	(11.14)	(13.22)	(13.64)	(4.63)
		<b>731.93</b>	<b>558.87</b>	<b>327.55</b>	<b>298.19</b>

**Ageing Schedule for Trade Receivables- December 31, 2022**

Particulars	Outstanding as at March 31, 2022 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	211.79	425.88	-	-	-	-	<b>637.67</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	31.84	63.00	6.21	4.35	-	<b>105.40</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>211.79</b>	<b>457.72</b>	<b>63.00</b>	<b>6.21</b>	<b>4.35</b>	<b>-</b>	<b>743.07</b>

(All amounts are in rupees million unless otherwise stated)

**Ageing Schedule for Trade Receivables- March 31, 2022**

Particulars	Outstanding as at March 31, 2022 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	307.24	205.78	5.92	-	-	-	<b>518.94</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	31.63	15.86	4.07	1.59	-	<b>53.15</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>307.24</b>	<b>237.41</b>	<b>21.78</b>	<b>4.07</b>	<b>1.59</b>	<b>-</b>	<b>572.09</b>

**Ageing Schedule for Trade Receivables- March 31, 2021**

Particulars	Outstanding as at March 31, 2021 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	175.83	91.96	16.89	-	-	-	<b>284.68</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	39.51	10.67	5.58	0.76	-	<b>56.51</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>175.83</b>	<b>131.47</b>	<b>27.56</b>	<b>5.58</b>	<b>0.76</b>	<b>-</b>	<b>341.19</b>

**Ageing Schedule for Trade Receivables- March 31, 2020**

Particulars	Outstanding as at March 31, 2020 from due date of payment						
	Not Due	0-6 Months	6-12 months	1-2 Years	2-3 Years	More than 3 years	Total
<b>Unsecured:</b>							
(i) Undisputed Trade receivables — considered good	112.88	145.88	13.76	7.79	-	-	<b>280.31</b>
(ii) Undisputed Trade receivables — Having significant increase in credit risk	-	1.10	7.25	14.16	-	-	<b>22.51</b>
(iii) Disputed Trade receivables — considered good	-	-	-	-	-	-	-
(iv) Disputed Trade receivables — Having significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>112.88</b>	<b>146.98</b>	<b>21.01</b>	<b>21.95</b>	<b>-</b>	<b>-</b>	<b>302.82</b>

The Company has measured expected credit loss of trade receivable based on simplified approach as per Ind AS 109 - Financial Instrument

1. For explanation on the Company credit risk management process, refer note 48
2. Trade receivables are non interest bearing.

13	Cash and cash equivalents	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Balances with banks				
	-On current accounts	9.39	18.44	32.02	76.56

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	-Cash on hand	4.03	3.36	0.81	1.03
		<b>13.42</b>	<b>21.80</b>	<b>32.83</b>	<b>77.59</b>

For explanation on the Company credit risk management process, (refer note 48)

14	Bank balances other than cash and cash equivalents	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Fixed deposit maturity period more than 3 months but less than 12 months	12.27	5.46	3.44	4.75
		<b>12.27</b>	<b>5.46</b>	<b>3.44</b>	<b>4.75</b>

For explanation on the Company credit risk management process, (refer note 48)

15	Other current financial assets	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Security deposit	2.93	3.93	3.05	5.08
	Interest Accrued	0.48	-	-	-
	Insurance Claim	-	-	-	0.77
	TDS recoverable from Certificates	0.15	0.15	0.13	0.09
		<b>3.56</b>	<b>4.08</b>	<b>3.18</b>	<b>5.94</b>

For explanation on the Company credit risk management process, (refer note 48)

16	Other current assets	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	Prepaid expense	1.91	3.19	2.75	1.59
	Advances to supplier	204.22	106.03	60.50	31.32
	Advance salary & wages	0.55	0.33	0.37	0.30
	Other assets	-	0.10	-	10.06
	Prepaid lease	0.69	0.20	0.21	0.58
	IPO Expenditure	58.09	-	-	-
	Balance with government authorities	29.29	86.70	74.60	80.53
	Employee's advance	-	-	0.48	0.07
		<b>294.75</b>	<b>196.55</b>	<b>138.91</b>	<b>124.45</b>

For explanation on the Company credit risk management process, (refer note 48)

## 17 Equity share capital

a) The Company has only one class of share capital having a par value of Rs. 10 per share, referred to herein as equity shares.

	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount



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Authorised Shares								
Equity shares of 10 each	100000000	1,000.00	100000000	1,000.00	50000	0.50	50000	0.50
	<b>100000000</b>	<b>1000.00</b>	<b>100000000</b>	<b>1,000.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>
Issued, subscribed and fully paid-up shares								
Equity shares of 10 each	65000000	650.00	25000000	250.00	50000	0.50	50000	0.50
	<b>65000000</b>	<b>650.00</b>	<b>25000000</b>	<b>250.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Equity Shares	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount
Shares outstanding at the beginning of the period/year	25000000	250.00	50000	0.50	50000	0.50	50000	0.50
Add: Issue of Bonus Shares	40000000	400.00	24950000	249.50	-	-	-	-
<b>Shares outstanding at the end of the period/year</b>	<b>65000000</b>	<b>650.00</b>	<b>25000000</b>	<b>250.00</b>	<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>0.50</b>

**c. Terms/rights attached to equity share**

Voting: Each holder of equity shares is entitled to one vote per share held.

Dividends: The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual general meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current year and previous year.

Liquidation: In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

d. The Company does not have any Holding Company.

**e. Detail of shareholders holding more than 5% of equity share of the Company(Equity shares of INR 10 each fully paid up held by :-)**

Name of shareholder	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares	Holding in numbers	% of total equity shares
Hardeep Singh	38999142	60.00%	14999670	59.99%	30000	60.00%	30000	60.00%
Surmeet Kaur	26000000	40.00%	10000000	40.00%	20000	40.00%	20000	40.00%

**f. Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:**

(All amounts are in rupees million unless otherwise stated)

Particulars	December 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares by capitalization of reserves	40000000	24950000	-	-

**g. Details of shares held by promoters**

S. No.	Promoter Name	No. of shares at the beginning of the period/year	Change during the period/year	No. of shares at the end of the period/year	% of Total Shares	% change during the period/year
<b>As at December 31, 2022</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	14999670	23999472	38999142	60.00%	160.00%
Equity shares of INR 10 each fully paid	Surmeet Kaur	10000000	16000000	26000000	40.00%	160.00%
<b>Total</b>		<b>24999670</b>	<b>39999472</b>	<b>64999142</b>	<b>100%</b>	<b>260.00%</b>
<b>As at March 31, 2022</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	14969670	14999670	59.99%	49898.90%
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	9980000	10000000	40.00%	49900.00%
<b>Total</b>		<b>50000</b>	<b>24949670</b>	<b>24999670</b>	<b>100%</b>	<b>49898.90%</b>
<b>As at March 31, 2021</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	—	30000	60.00%	—
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	—	20000	40.00%	—
<b>Total</b>		<b>50000</b>	<b>—</b>	<b>50000</b>	<b>100.00%</b>	<b>0.00%</b>
<b>As at April 01, 2020</b>						
Equity shares of INR 10 each fully paid	Hardeep Singh	30000	—	30000	60.00%	—
Equity shares of INR 10 each fully paid	Surmeet Kaur	20000	—	20000	40.00%	—
<b>Total</b>		<b>50000</b>	<b>—</b>	<b>50000</b>	<b>100.00%</b>	<b>0.00%</b>

h. No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash or bought back during the period of 5 years immediately proceeding the balance sheet date.

18 Other Equity	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Surplus in the statement of profit and loss</b>				
Opening balance	795.53	587.86	322.03	143.99
(+) Net profit for the period/year	513.47	505.16	288.06	214.07

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(-) Issue of Bonus share	(400.00)	(249.50)	-	-
(+) Ind AS Adjustments		-	-	3.06
Other Adjustments of the period/year	(194.75)	(47.99)	(22.23)	(39.09)
<b>Closing balance (A)</b>	<b>714.25</b>	<b>795.53</b>	<b>587.86</b>	<b>322.03</b>
<b>Capital Reserve</b>				
Opening	18.42	17.92	17.92	17.92
Add: Addition during the period/year	-	0.50	-	-
<b>Capital Reserve (B)</b>	<b>18.42</b>	<b>18.42</b>	<b>17.92</b>	<b>17.92</b>
<b>Equity Component</b>				
Opening	19.97	19.97	18.74	-
Add: Equity component of interest free loan from Promoter	-	-	1.23	18.74
<b>Closing balance (C )</b>	<b>19.97</b>	<b>19.97</b>	<b>19.97</b>	<b>18.74</b>
<b>Other comprehensive income</b>				
Opening	4.78	2.33	(0.20)	-
Add: other comprehensive income for the period/year	0.86	2.33	2.53	(0.20)
<b>Closing balance (D)</b>	<b>5.64</b>	<b>4.66</b>	<b>2.33</b>	<b>(0.20)</b>
<b>Total other equity (A+B+C+D)</b>	<b>758.28</b>	<b>838.58</b>	<b>628.08</b>	<b>358.49</b>

**Nature and purpose of other reserves**

**Other comprehensive income**

The Company recognises change on account of remeasurement of the net defined benefit liability as part of other comprehensive income with separate disclosure, which comprises of actuarial gains and losses.

<b>19 Non current borrowings</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Secured</b>				
Term loan from banks/NBFC's (refer foot note )	235.86	159.27	143.11	14.25
Vehicle loan (refer foot note )	18.96	15.91	18.86	18.87

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<b>19 Non current borrowings</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Unsecured</b>				
Term loan from Institutions / Corporates	-	161.31	137.50	148.07
Loan From Directors / Relatives	-	107.86	69.86	58.69
Less: Current maturities of non-current borrowings (included in note 22)	44.33	57.11	23.45	69.89
<b>Non-current borrowings (as per balance sheet)</b>	<b>210.49</b>	<b>387.24</b>	<b>345.88</b>	<b>169.99</b>

The Company's exposure to currency risks, liquidity risks and interest rate risks are disclosed in Note 48

**Footnotes:-****For the period ended December 31,2022****1. Secured loan****(i) Term loan****IndusInd Bank Ltd**

The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd). Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Directors and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

The Company has availed WCTL (Sanctioned Limit Rs 12.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

The Company has availed long term loan from IndusInd Bank, the loan is secured by first and exclusive charge on hypothecation of entire movable fixed assets & equitable mortgage on industrial land and building of INKO Technologies (Prop. Mr. Hardeep Singh, a related party) situated at Haridwar, and collateral first and exclusive mortgage on industrial land and building of IKIO Lighting Limited (a related party) situated at Haridwar. It is further secured by personal guarantee of Mr. Hardeep Singh and his relatives i.e. Surmeet Kaur, Sanjeet Singh, Ishween Kaur and corporate guarantee by Raina Metal tech Private Limited, INKO Technologies, IKIO Lighting Limited, IKIO Solution Private Limited, Fine Technologies (India) Private Limited (all related parties). Rate of interest of 8.50 % per annum. Term loans are repayable by August 31, 2023.

The loan amount is USD 0.18 Million

In case of default on FCNR Loan, IndusInd bank may choose to convert entire loan into INR Loan.

**HDFC Bank Ltd**

The company has availed long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). Further, there is a collateral charge on the equitable mortgage on industrial property of the Company. Rate of interest on the loan is 8.05% per annum. The loan is repayable within 7 years including moratorium period of one year.

The long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting Private Limited (a related party). The said loan has been prepaid during the period.

**Standard Chartered Bank**

- a) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh. The tenure of the loan is 180 months to be fully paid by September 30, 2034. The loan carries floating rate of interest of MCLR Rate +0.50% p.a. at half yearly reset.
- b) The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The loan carries floating rate of interest of MCLR Rate +0.50 p.a. at half yearly resets. The said loan has been prepaid during the period
- c) The term loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305.. The loan carries floating rate of interest of Repo Rate+3.75% p.a. at Quarterly resets. The said loan has been prepaid during the period.

**(ii) Vehicle Loan**

Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a. and balance outstanding as at December 31, 2022 is Rs. 3.60 millions (March 31, 2022 is Rs. 7.04 millions) out of which Rs. 3.59 millions is repayable in next 9 months.

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at December 31, 2022 is outstanding Rs. 0.82 millions (March 31, 2022 is Rs. 1.20 millions) out of which Rs. 0.53 millions is repayable in next 12 months.

Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at December 31, 2022 is Rs. 0.75 millions (March 31, 2022 is Rs.1.10 millions) out of which Rs. 0.48 millions is repayable in next 12 months.

Vehicle Loan availed from HDFC Bank amounting to Rs. 4.5 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 05, 2021. Rate of interest is 7.10% p.a. and balance outstanding as at December 31, 2022 is Rs. 3.22 millions (March 31, 2022 is Rs. 4 millions) out of which Rs. 1.10 millions is repayable upto December 31, 2023.

Vehicle Loan availed from HDFC Bank amounting to Rs. 3.7 millions which is secured against the respective vehicle and is repayable in 39 equal instalments commencing from March 03, 2021. Rate of interest is 7.30% p.a. and balance outstanding as at December 31, 2022 is Rs. 1.72 millions (March 31, 2022 is Rs. 2.56 millions) out of which Rs. 1.20 millions is repayable upto December 31, 2023.

Vehicle Loan availed from HDFC Bank amounting to Rs. 9.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from December 12, 2022. Rate of interest is 7.90% p.a. and balance outstanding as at December 31, 2022 is Rs. 8.84 millions out of which Rs. 2.00 millions is repayable upto December 31, 2023.

**2. Unsecured loan**

**Loan from Related Party**

The loan from related parties is interest free.

The Company has taken unsecured interest free long term loan from related parties which is repayable on or before 31 March 2023.

**For the year ended March 31, 2022**

**IndusInd Bank Ltd**

- a) The Company has availed WCTL (Sanctioned Limit Rs 12.60 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

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b) The Company has availed WCTL (Sanctioned Limit Rs 12.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.

The tenure for the loan is 36 months to be fully paid by 31st December, 2024.

The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

c) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh . The tenure of the loan is 77 months to be fully paid by March 31, 2026. The loan carries floating rate of interest of MCLR Rate +0.50% p.a. at half yearly reset.

d) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The tenure of the loan is 77 months to be fully paid by March 10, 2026. The loan carries floating rate of interest of MCLR Rate +0.50 p.a. at half yearly resets.

e) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The tenure of the loan is 53 months to be fully paid by March 01, 2026. The loan carries floating rate of interest of Repo Rate+3.75% p.a. at Quarterly resets.

f) The Company has availed unsecured Business Instalment loan from Aditya Birla Finance Limited. The tenure of the loan was 40 months which was required to be fully paid by October 08, 2022. However the company has made early repayments of entire loan on March 11, 2022. The loan carries fixed rate of interest 15.30%.

g) The entity has availed long term loan from IndusInd Bank, The loan is secured by first & exclusive charge on hypothecation of the entire movable fixed assets & equitable mortgage on Industrial Land & Building of Inko Technologies (Prop. Mr. Hardeep Singh, a related party) situated at Haridwar, and collateral first & exclusive equitable mortgage on Industrial Land & Building of IKIO Lighting Private Limited (a related party) situated at Haridwar. It is further secured by personal guaranty of Mr. Hardeep Singh and his relatives i.e. Surmeet Kaur, Sanjeet Kaur, Ishween Kaur and Corporate Guarantees by Raina Metal Tech. Pvt. Ltd. , Inko Technologies, IKIO Lighting limited, IKIO Solution Private Limited, Fine Technologies India Private Limited (all related Parties).

Rate of interest is 8.50% per annum. Term loans are repayable by August 31, 2023.

The loan amount is USD 0.18 Million

In case of default on FCNR loan, IndusInd bank may choose to convert the entire loan into INR Loan. In such a case, swap unwinding cost will be charged.

Loan	EMI start date	Outstanding Amount ( In Millions )	Rate of Interest	Equal monthly instalment (EMI)	Date of Last EMI
		USD		USD	
IndusInd Bank	September 30, 2020	0.12	8.50%	0.00	August 31,2023

(h) The company has availed long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting LLP (a related party). Further, there is a collateral charge on the equitable mortgage on industrial property of the Company. Rate of interest on the loan is 8.25% per annum. The loan is repayable within 7 years including moratorium period of one year.

**(ii) Vehicle Loan**

- (a) Vehicle Loan obtained from Axis Bank Limited amounting to Rs.17.00 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 10, 2019. Rate of interest is 9.15% p.a. and balance outstanding as at March 31, 2022 is Rs. 7.04 millions (March 31, 2021 and April 01, 2020: Rs. 11.27 millions and Rs. 15.14 millions respectively) out of which Rs. 4.64 millions is repayable in FY 2022-23.
- (b) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.67 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs. 1.20 millions (March 31, 2021 and April 01, 2020: Rs. 1.68 millions and Rs. 2.26 millions respectively) out of which Rs. 0.51 millions is repayable in FY 2022-23.
- (c) Vehicle Loan obtained from HDFC Bank Limited amounting to Rs.1.53 millions which is secured against respective vehicle and is repayable in 39 equal instalments commencing from April 07, 2021. Rate of interest is 7.45% p.a. and balance outstanding as at March 31, 2022 is Rs.1.10 millions (March 31, 2021 and April 01, 2020: Rs. 1.54 millions and Rs. 2.07 millions respectively) out of which Rs. 0.47 millions is repayable in FY 2022-23.

d) Vehicle Loan availed from HDFC Bank amounting to Rs. 4.5 millions which is secured against the respective vehicle and is repayable in 48 equal instalments commencing from October 05, 2021. Rate of interest is 7.10% p.a. and balance outstanding as at March 31, 2022 is Rs. 4 millions (March 31, 2021 Rs. NIL) out of which Rs. 1.04 millions is repayable in FY 2022-23.

d) Vehicle Loan availed from HDFC Bank amounting to Rs. 3.7 millions which is secured against the respective vehicle and is repayable in 39 equal instalments commencing from March 03, 2021. Rate of interest is 7.30% p.a. and balance outstanding as at March 31, 2022 is Rs. 2.56 millions (March 31, 2021 Rs. 3.62 millions) out of which Rs. 1.13 millions is repayable in FY 2022-23.

e) Vehicle Loan availed from HDFC Bank amounting to Rs. 4.62 millions which is secured against the respective vehicle has been repaid during the year.

f) Vehicle Loan availed from HDFC Bank amounting to Rs. 1.45 millions which is secured against the respective vehicle has been repaid during the year.

**For the year ended March 31, 2021**

a) The Company has availed WCTL (Sanctioned Limit Rs 21.00 Mn) and Medium Term Loan (Sanctioned Limit Rs 13.74 Mn), from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Private Limited., Royalux Exports Private Limited (formerly Royalux Exports) IKIO Solutions Private Limited and Fine Technologies (India) Private Limited (All Related Parties). Tenure of working capital term loan is 55 months, to be fully paid by 31st December, 2024, and medium term loan of 14 months. The working capital term loan carries floating rate of interest of MIBOR(daily)+2%, at monthly rest and medium term loan carries an interest rate of 9% linked to 6 month CD rate.

b) The Company has availed WCTL (Sanctioned Limit Rs 15.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, Current Assets and lien on the FDR/Cash Deposit of Rs 3.00 Mn. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building

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of the IKIO Lighting Ltd at Haridwar (a related Party), Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Director and close relatives of directors. The tenure for the loan is 54 months to be fully paid by 31st December, 2024. The loan carries floating rate of interest of MIBOR(daily)+2% at monthly rest.

c) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Villa No. 01, Plot No. 1, Type K ATS greens village, Sec 93A, Expressway, Noida, Uttar Pradesh. The tenure of the loan is 77 months to be fully paid by March 31, 2026. The loan carries floating rate of interest of MCLR Rate +0.50% p.a. at half yearly reset.

d) The Company has availed loan against property from Standard Chartered Bank which are secured against property situated at Plot No. 10, Block - A, Sector - 68 Noida, Uttar Pradesh - 201305. The tenure of the loan is 77 months to be fully paid by March 10, 2026. The loan carries floating rate of interest of MCLR Rate +0.50 p.a. at half yearly resets.

e) The Company has availed unsecured Business Instalment loan from Aditya Birla Finance Limited. The tenure of the loan is 40 months to be fully paid by October 08, 2022. The loan carries fixed rate of interest 15.30%.

f) The entity has availed long term loan from IndusInd Bank, The loan is secured by first & exclusive charge on hypothecation of the entire movable fixed assets & equitable mortgage on Industrial Land & Building of Inko Technologies (Prop. Mr. Hardeep Singh, a related party) situated at Haridwar, and collateral first & exclusive equitable mortgage on Industrial Land & Building of IKIO Lighting Private Limited (a related party) situated at Haridwar. It is further secured by personal guaranty of Mr. Hardeep Singh and his relatives i.e. Surmeet Kaur, Sanjeet Kaur, Ishween Kaur and Corporate Guarantees by Raina Metal Tech. Private Limited., Inko Technologies, IKIO Lighting limited, IKIO Solution Private Limited, Fine Technologies India Private Limited (all related Parties). Rate of interest is 8.50% per annum. Term loans are repayable by August 31, 2023. The loan amount is USD 0.18 Million. In case of default on FCNR loan, IndusInd bank may choose to convert the entire loan into INR Loan. In such a case, swap unwinding cost will be charged.

Loan	EMI start date	Outstanding Amount ( In Millions )	Rate of Interest	Equal monthly instalment (EMI)	Date of Last EMI
		USD		USD	
IndusInd Bank	September 30, 2020	0.16	8.50%	0.00	August 31,2023

g) The company has availed long term loans from HDFC bank (Sanctioned Limit Rs 250 Mn) which is secured against personal guarantee of directors, Corporate guarantee of IKIO Lighting Limited (a related party) and Royalux Lighting LLP (a related party). Further, there is a collateral charge on the equitable mortgage on industrial property of the Company. Rate of interest on the loan is 8.25% per annum. The loan is repayable within 7 years including moratorium period of one year.

**Loan from Related Party**

a) The loan from related parties is interest free.

b) The Company has taken unsecured interest free long term loan from related parties which is repayable on or before 31 March 2023.



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<b>20. Non-current lease liability</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Lease liability	76.80	86.29	92.23	93.05
	<b>76.80</b>	<b>86.29</b>	<b>92.23</b>	<b>93.05</b>

<b>21. Non-current provisions</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Provision for employees benefits refer (note no 43)</b>				
- Gratuity	17.03	13.28	10.13	7.82
- Compensated Absences	4.04	4.56	4.25	2.37
	<b>21.07</b>	<b>17.84</b>	<b>14.38</b>	<b>10.19</b>

<b>22. Current borrowings</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Secured</b>				
Cash Credit	650.75	372.46	115.00	134.29
Working Capital Demand Loan	-	-	7.20	-
Others	-	-	-	0.03
<b>Unsecured</b>				
Bank Overdraft		-	-	2.85
From Institutions / Corporates	111.81	115.19	106.06	34.18
From Directors / Relatives	345.89	133.63	10.55	8.21
From others (Refer footnote)	-	-	85.44	49.17
Current maturities of long-term debt	44.33	57.11	23.45	69.89
	<b>1,152.78</b>	<b>678.39</b>	<b>347.70</b>	<b>298.62</b>

**Footnotes:-****For the year ended December 31,2022****1. Secured loan****Cash Credit****IndusInd Bank Ltd**

a) The company has availed cash credit facility (Sanctioned Limit Rs 115.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors.

The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

The Company has availed Cash Credit facility (Sanctioned Limit Rs 25.30 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.

The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

### **HDFC Bank Ltd**

The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 151.00 Mn) from HDFC Bank Ltd, Which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors.

The loan carries a floating rate of interest of 7% per annum (Repo rate + Spread).

During the year ended March 31, 2022, the company has been sanctioned cash credit facilities amounting to Rs. 100 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 7.00% per annum (Repo rate + Spread).

The Company has availed working capital loan (Pre/Post Shipment/PSR and Cash credit) from HDFC bank (sanctioned Rs. 230.00 Mn). The loan is secured by personal guarantee given by Mr. Hardeep Singh and Mrs. Surmeet Kaur. It is further secured by Corporate guarantee (collateral security of equitable mortgage on industrial land & Building) of IKIO Solution Private Limited property located at industrial property, plot no. 10 Sector 156, Mandoli village, Noida- 201301.

## **2. Unsecured Loan from Directors & Relatives and from Institutions/NBFC's/Corporates**

- i. Interest free loan repayable on demand taken from Directors & Relatives as at December 31, 2022 (Mr. Hardeep Singh: 252.52 million, Mrs. Surmeet Kaur: 64.72 million, Mr. Sanjeet Singh: 21.56 million, Mrs. Ishween Kaur: 7.10 million).
- ii. Unsecured loan outstanding as at December 31, 2022 from Institutions/NBFC's/Corporates (Agroha Finvest Pvt Ltd.: 5.95 million, Jagtarni Finance & Investment (P) Ltd: 5.71 million, J S Global Finance Ltd.: 0.62 million, MS Yashwardhan Paper: 6.77 million, Navyug Fin-Sec Pvt. Ltd.: 10.13 million, Parakh Overseas Pvt Ltd: 32.64 million, Principal Fin-Sec (P) Ltd.: 49.98 million) at interest rate of 9% p.a. from all the parties repayable on demand.
- iii. For Explanation on the company liquidity risk management process (Refer note 48)

## **For the year ended March 31, 2022**

### **1. Secured loan**

#### **Cash Credit**

a) The company has availed cash credit facility (Sanctioned Limit Rs 96.50 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of all current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of industrial land and building of the Company situated at Haridwar. Further, there is personal guarantees of Director and one of close relative of directors.

The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

b) The company has also availed Cash Credit facility / LC limit (Sanctioned Limit Rs 60.00 Mn) from HDFC Bank Ltd, Which is secured against pari passu charge on hypothecation of stock and debtors (charge shared with IndusInd Bank Ltd). Also, there is a collateral guarantee in form of industrial property situated at Noida owned by IKIO Solutions Pvt Ltd (A Related Party). Further, there are personal guarantees of Directors.

The loan carries a floating rate of interest of 7% per annum (Repo rate + Spread).

c) The Company has availed Cash Credit facility (Sanctioned Limit Rs 25.30 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets & Current Assets. Also, there is a collateral guarantee in form of first Pari Passu equitable mortgage of industrial land and building of the Raina Metaltech Pvt Ltd situated at Noida (a related Party). Further, there is personal guarantees of Director and close relatives of directors.

The loan carries a floating rate of interest of 7.00% per annum linked with 6 month CD.

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- d) During the year ended March 31, 2022, the company has been sanctioned cash credit facilities amounting to Rs. 100 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 7.00% per annum (Repo rate + Spread).
- e) During the year ended March 31, 2022, the company has made repayment of entire working capital demand loan from HDFC bank amounting to Rs. 7.20 millions on April 01, 2022. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related Party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 7.00% per annum (Repo rate + Spread).
- f) The entity has availed Working Capital loan (Pre/Post Shipment/PSR and Cash Credit) from HDFC Bank (Sanctioned Rs 150.00 Mn), The loan is secured by personal guarantee given by Mr. Hardeep Singh and Mr. Sanjeet Singh. It is further secured by collateral security of equitable mortgage on Industrial Land & Building of Inko Technologies (Prop Mr. Hardeep Singh) situated at Haridwar.

**2. Unsecured Loan****Loan from Body Corporate****For the year ended March 31, 2022**

- a) During the year ended March 31, 2022, the company has made repayment of entire loan from body corporate (Agroha Finvest Private Limited) on September 03, 2021. The loan carries fixed rate of interest 9%.

3. For explanation on the company liquidity risk management process (Refer note 48)

**For the year ended March 31, 2021**

- a) The Company has availed cash credit facility (Sanctioned Limit Rs 69.00 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, first pari passu charge on hypothecation of the current assets (charge shared with HDFC Bank Ltd) and first and exclusive charge on lien of the FDR/Cash deposit for Rs. 3.0 million. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the Company at Haridwar, Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Directors and one of close relative of directors. Also secured by Corporate Guarantee of Inko Technologies, Raina Metal Tech Private Limited., Royalux Exports, IKIO Solutions Private Limited and Fine Technologies (India) Private Limited (All Related Parties). The loan carries a floating rate of interest of 9.00% per annum linked with 6 month CD.
- b) The Company has availed Cash Credit facility (Sanctioned Limit Rs 25.30 Mn) from IndusInd Bank Ltd, which are secured against first and exclusive charge on the hypothecation of the entire movable fixed assets, Current Assets and lien on the FDR/Cash Deposit of Rs 3.00 Mn. Also, there is a collateral guarantee in form of first and exclusive equitable mortgage of Industrial land and building of the IKIO Lighting Ltd at Haridwar (a related Party), Industrial land and building of Inko Technologies at Haridwar (A Related Party), and Industrial land and building of Raina Metal Ikio Lighting Limited (Formerly known as Ikio Lighting Private Limited) Proforma Consolidated Financial Information (All amounts are in rupees million unless otherwise stated) 318 Tech Pvt Ltd at Noida, (A Related Party). Further, there is personal guarantees of Director and close relatives of directors. The loan carries a floating rate of interest of 9.00% per annum linked with 6 month CD.
- c) During the year ended March 31, 2021, the company has been sanctioned cash credit facilities amounting to Rs. 80 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 9.00% per annum (Repo rate + Spread).

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- d) During the year ended March 31, 2021, the company has been sanctioned cash credit facilities amounting to Rs. 10 millions. The facility is secured by way of charge on Stock, Debtor & BG Margin. Also there is collateral guarantee in form of equitable mortgage on industrial property of IKIO Solutions Pvt Ltd, Noida (a related party). Further, there are personal guarantees of directors. The loan carries a floating rate of interest currently 9.00% per annum (Repo rate + Spread).
- e) The entity has availed Working Capital loan (Pre/Post Shipment) from IndusInd Bank, The loan is secured by first & exclusive charge on hypothecation of the entire movable fixed assets & equitable mortgage on Industrial Land & Building of Inko Technologies (Prop Mr. Hardeep Singh, a related party) situated at Haridwar, and collateral first & exclusive equitable mortgage on Industrial Land & Building of IKIO Lighting Private Limited (a related party) situated at Haridwar. It is further secured by personal guaranty of Mr. Hardeep Singh and his relatives i.e. Surmeet Kaur, Sanjeet Kaur, Ishween Kaur and Corporate Guarantees by Raina Metal Tech. Private Limited. , Inko Technologies, IKIO Lighting limited, IKIO Solution Private Limited, Fine Technologies (India) Private Limited (all related Parties). Rate of interest is 9.00% per annum linked to 6 month CD rate.

**2. Unsecured Loan****Loan from Body Corporate**

For the year ended March 31, 2021: During the year ended March 31, 2021, the company has taken loan from body corporate (Agroha Finvest Private Limited) on August 28, 2020. The loan carries rate of interest of 9.00% per annum.

**Unsecured Loan**

- a) The company has obtained a loan from Body Corporate @ 9% PA repayable within 1 year from the date of disbursement.
- b) The company has obtained a interest free loan from related Party.
- c) Loan represents interest free unsecured loan taken from related party repayable on demand.
- d) Loan represents unsecured loan taken from others repayable on demand. Interest rate is 9.00 %.

**3. For explanation on the company liquidity risk management process (Refer note 48)**

<b>23. Current lease liability</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Lease liability	12.67	9.24	7.86	6.31
	<b>12.67</b>	<b>9.24</b>	<b>7.86</b>	<b>6.31</b>

<b>24. Trade payables</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
total outstanding dues of micro and small enterprises (refer note no 41)	100.18	64.07	19.59	5.15
total outstanding dues of creditors other than micro and small enterprises	207.93	168.05	211.44	319.54
Total	<b>308.11</b>	<b>232.12</b>	<b>231.03</b>	<b>324.69</b>

**Note:**

<b>Particulars</b>	<b>Outstanding as at September 30,2022 from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1-2 Year</b>	<b>2-3 Years</b>	<b>More than 3 years</b>	<b>Total</b>
(i) Micro enterprises and small enterprises	100.18	-	-	-	<b>100.18</b>
(ii) Other than micro enterprises and small enterprises	207.49	0.44	-	-	<b>207.93</b>

(All amounts are in rupees million unless otherwise stated)

(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>307.67</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>308.11</b>

Particulars	Outstanding as at March 31, 2022 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	64.07	-	-	-	<b>64.07</b>
(ii) Other than micro enterprises and small enterprises	167.77	0.26	<b>0.02</b>	-	<b>168.05</b>
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>231.84</b>	<b>0.26</b>	<b>0.02</b>	<b>-</b>	<b>232.12</b>

Particulars	Outstanding as at March 31, 2021 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	19.59	-	-	-	<b>19.59</b>
(ii) Other than micro enterprises and small enterprises	202.26	9.18	-	-	<b>211.44</b>
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>221.85</b>	<b>9.18</b>	<b>-</b>	<b>-</b>	<b>231.03</b>

Particulars	Outstanding as at March 31, 2020 from due date of payment				
	Less than 1 year	1-2 Year	2-3 Years	More than 3 years	Total
(i) Micro enterprises and small enterprises	5.15	-	-	-	5.15
(ii) Other than micro enterprises and small enterprises	319.51	0.03	-	-	319.54
(iii) Micro enterprises and small enterprises -Disputed Dues	-	-	-	-	-
(iv) Other than micro enterprises and small enterprises-Disputed Dues	-	-	-	-	-
<b>Total</b>	<b>324.66</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>324.69</b>

- i. For trade payables to related parties please refer note 44
- ii. Other creditor are non interest bearing.
- iii. The Company's exposure to currency and liquidity risks related to trade payables are disclosed in Note 48

25. Other current financial liability	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020

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Interest accrued but not due	5.68	0.91	0.28	0.02
Expenses payable	42.23	51.44	7.02	139.05
Other Payables	33.65	33.16	33.55	24.53
Employees related payables	-	0.15	0.36	0.26
Capital creditors	4.24			
	<b>85.80</b>	<b>85.66</b>	<b>41.21</b>	<b>163.86</b>

**Note:** The Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 48

26. Other current liabilities	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Statutory dues payable	18.09	8.25	14.40	12.50
Capital vendors	-	-	0.08	0.27
Advance from Customers	30.21	9.85	8.45	9.48
	<b>48.30</b>	<b>18.10</b>	<b>22.93</b>	<b>22.25</b>

27. Current provisions	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Provision for employees benefits refer (note no 43)</b>				
- Gratuity	1.28	0.87	0.28	0.15
- Compensated Absences	1.70	4.58	1.82	0.16
	<b>2.98</b>	<b>5.45</b>	<b>2.10</b>	<b>0.31</b>

28. Current Tax Liabilities	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Provision for Income Tax (net of Advance Tax, TDS and TCS)	27.74	39.62	10.60	-
	<b>27.74</b>	<b>39.62</b>	<b>10.60</b>	<b>-</b>

29. Revenue from operations	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Sale of product	3,286.27	3,318.40	2,134.46	2,202.47
	<b>3,286.27</b>	<b>3,318.40</b>	<b>2,134.46</b>	<b>2,202.47</b>

30. Other income	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net gain on foreign currency transactions and translation	31.90	14.85	4.42	2.32
Interest income	1.03	1.46	1.27	0.77
Export incentive	0.76	1.51	1.37	1.66
Insurance claim	-	-	0.04	0.27

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<b>30. Other income</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Profit on sale of property, plant & equipment (net)	0.37	-	-	10.64
Finance income	0.15	0.19	0.15	0.13
Provisions no longer required written back	6.96	1.46	3.63	-
Miscellaneous income	-	0.86	0.01	0.02
Discount income	0.07	-	0.15	-
Compensated absences	0.41	-	-	-
Finance income on amortisation of security deposit	-	-	0.00	-
Gain Due to Lease Concession	-	1.22	0.22	-
	<b>41.65</b>	<b>21.55</b>	<b>11.26</b>	<b>15.81</b>

<b>31. Cost of materials consumed</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Opening stock	847.47	495.19	307.23	144.29
Add: Purchase	2172.69	2,448.62	1,401.79	1,555.33
Less: Closing Stock	928.63	847.47	495.19	307.23
	<b>2,091.53</b>	<b>2,096.34</b>	<b>1,213.83</b>	<b>1,392.39</b>

<b>32. Change in inventories</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Inventories (at closing)				
- Work-in-progress	214.55	186.37	44.26	25.78
- Finished product	103.88	62.18	29.88	38.05
- Scrap		-	0.17	0.78
	<b>318.43</b>	248.55	74.31	64.61
Inventories (at opening)				
- Work-in-progress	186.37	44.26	25.78	28.92
- Finished	62.18	29.89	38.05	35.43
- Scrap	-	0.17	0.78	0.05
	<b>248.55</b>	74.32	64.61	64.40
<b>Net (increase)/decrease in inventories</b>	<b>(69.88)</b>	<b>(174.23)</b>	<b>(9.70)</b>	<b>(0.21)</b>

<b>33. Employee benefits expenses</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Salaries & wages, bonus & other allowances	229.39	245.61	154.67	193.79
Director's remuneration	34.11	134.20	112.68	67.10
Contribution to provident and other funds (refer note 43)	17.20	18.61	13.23	14.09

<b>33. Employee benefits expenses</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Expenses related to post-employment defined benefit plans (refer note 43)	5.72	6.87	5.96	4.17
Expenses related to compensated absences (refer note 43)	-	3.90	3.59	2.52
Staff welfare expenses	5.16	13.65	3.81	5.12
	<b>291.58</b>	<b>422.84</b>	<b>293.94</b>	<b>286.79</b>

<b>34. Finance cost</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Interest on borrowing	26.10	36.46	30.60	29.09
Other borrowing costs	11.65	3.40	0.37	14.14
Interest on lease liabilities (Refer note 40)	6.56	9.32	9.34	3.16
Interest Expenses	2.39	-	3.39	-
	<b>46.70</b>	<b>49.18</b>	<b>43.70</b>	<b>46.39</b>

<b>35. Depreciation and amortisation expenses</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Depreciation and Amortisation (refer note 3 and 5)	30.94	35.96	35.30	33.27
Amortisation of ROU Asset (refer note 6)	11.86	14.85	11.55	7.46
	<b>42.80</b>	<b>50.81</b>	<b>46.85</b>	<b>40.73</b>

<b>36. Other Expenses</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Bad debts	0	-	15.95	0.13
Exchange fluctuation	0.25	-	0.48	2.36
Vehicle running & maintenance	1.08	0.65	0.78	1.04
Freight & cartage outward	55.21	19.77	19.17	21.79
Consumable expenses	3.82	4.10	4.84	4.85
Generator fuel & running expenses	3.34	5.01	3.39	3.29
Repair & maintenance	13.72	18.63	11.99	10.76
Job work paid	12.08	12.79	2.71	4.08
Electricity charges	31.12	30.50	20.00	22.73
Lab testing & research & development	4.90	7.42	5.47	4.60
Rent	11.73	14.41	4.57	5.24
Insurance charges	4.65	4.50	3.21	2.53
Rates & taxes	9.10	10.57	1.30	0.10
Security charges	3.08	3.51	3.14	3.54



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Legal & professional charges	21.66	19.58	13.23	10.92
Tour & travel expenses	11.68	10.67	3.51	10.81
Auditor remuneration (refer footnote)	2.19	3.20	0.51	0.51
Computer expenses	1.18	2.73	0.74	1.38
Keyman Insurance		-	-	0.86
Corporate social responsibility expenses	5.27	5.02	2.65	1.08
Sundry balance written off	0.35	0.26	0.21	1.26
Loss on sale of property, plant & equipment (net)		0.22	1.96	-
Provision for Expected Credit Loss	1.61	0.19	12.62	4.63
Communication Expenses	1.23	1.28	0.99	7.36
Miscellaneous expenses	18.04	5.07	4.63	2.71
Director Sitting fees	1.35	-	-	-
Penalty on Govt. Due	0.03	-	-	-
Security deposit written off		-	0.99	-
Bank Charges	1.43	0.90	0.88	0.38
Freight inward		3.56	2.00	0.38
Telephone & internet exp	0.46	0.63	0.43	0.51
Business promotion	0.70	1.79	2.43	0.64
Clearing & forwarding charges		2.11	1.48	0.21
Printing & stationery	0.61	0.61	0.21	0.67
Loading & unloading charges	0.15	0.39	0.07	0.38
SEZ EDI change	0.08	0.03	0.03	0.01
Subscription and fee	0.07	0.03	0.01	0.05
Loss on sale of MEIS licence		-	0.09	-
Office expense		-	0.01	-
Advertisement expenses	5.01	0.05	0.26	0.44
Commission expenses	2.59	7.23	4.12	4.35
Packing & forwarding expense	0.13	0.73	0.15	0.23
Rebate & discount	0.40	0.90	4.58	1.27
Postage & courier expense	0.03	0.05	0.28	0.03
Installation & extraction charges	2.71	1.18	1.68	2.64

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Donation		0.04	0.30	-
Sales promotion	5.95	-	0.06	1.75
GST unclaimed W/off		-	0.12	0.32
Preoperative Expenses Written off		-	0.07	0.08
Interest on Statutory Dues		-	-	2.56
Festival expense		-	-	0.47
Water expenses		-	-	0.13
Service Tax		-	-	0.03
House keeping expenses		-	-	0.39
Export Expense DPP		-	-	3.58
Data entry charges				0.37
	<b>238.99</b>	<b>200.31</b>	<b>158.29</b>	<b>150.43</b>

**Footnotes:**

	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>i. Remuneration to auditor (excluding goods &amp; service tax)</b>				
Statutory Audit*	1.64	1.56	0.51	0.51
Tax Audit	0.22	0.30	-	0.01
Other Services	-	1.30	-	
Out of Pocket Expenses	0.33	0.04	-	
	<b>2.19</b>	<b>3.20</b>	<b>0.51</b>	<b>0.52</b>

\*Statutory Audit Fees for the year ended March 31, 2021 pertains to payment made to previous auditor. Statutory Audit fee for the year ended March 31, 2022 includes fees for the audit of year ended March 31, 2021 due to appointment of Auditors pursuant to resignation by previous auditors.

<b>37. Disclosure as per Ind AS 33 on 'earnings per Share'</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Basic and diluted earnings per share				
Basic earnings per share (refer note a & b)	7.90	20.21	11.52	8.56
Diluted earnings per share (refer note a & b)	7.90	20.21	11.52	8.56
Nominal value per share	10.00	10.00	10.00	10.00
<b>(a) Profit attributable to equity shareholders</b>				

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Profit for the period	513.47	505.16	288.06	214.07
Profit attributable to equity shareholders	<b>513.47</b>	<b>505.16</b>	<b>288.06</b>	<b>214.07</b>
<b>(b) Weighted average number of shares used as the denominator</b>	65000000	25000000	25000000	25000000
<b>Weighted average number of equity shares for basic and diluted EPS</b>	<b>65000000</b>	<b>25000000</b>	<b>25000000</b>	<b>25000000</b>
At present, the company does not have any dilutive potential equity share.				

### 38. Contingent Liabilities and Other Commitments

#### Contingent Liabilities

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Demand under Sales Tax for the year 2017-18 against pending C-Forms*	25.10	25.10	-	-
Corporate Guarantee Given		18.94	18.94	-

\*In the view of management, the demand is not expected to be materialised as the group expects to submit the relevant C-Forms and accordingly no provision is required to be recorded.

#### Capital Commitments

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Capital Commitment (Net of Capital Advances)	-	9.82	-	-

1. For the year ended March 31, 2022 based on subsequent events, the proposed allotment of land (capital commitment net of advance: Rs. 2.57 millions) against which advance had been given by the group has been cancelled. The advance paid has been fully recovered and accordingly there are no commitments in respect of the said advance.

2. Advance against purchase of Plant and Machinery (Capital Commitment net of advance: Rs. 7.25 millions) has been subsequently adjusted against the final payment made.

### 39. Group information

(a) The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of subsidiary	Country of incorporation	Proportion %	Period of financial statements included in consolidation
Fine Technologies (India) Private Limited	India	100%	01 April 2022 to 31 December 2022

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Name of subsidiary	Country of incorporation	Proportion %	Period of financial statements included in consolidation
Royalux Lighting Private Limited	India	100%	01 April 2022 to 31 December 2022
Royalux Exports	India	100%	01 April 2022 to 31 December 2022
IKIO Solutions Private Limited	India	100%	01 April 2022 to 31 December 2022

**(b) Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Companies Act, 2013.**

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As percentage of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit and loss	Amount (₹ in Millions)	As % of consolidated other comprehensive income	Amount (₹ in Millions)	As % of total comprehensive income	Amount (₹ in Millions)
IKIO Lighting limited	68.45%	963.98	38.72%	198.84	84.63%	0.73	38.80%	199.57
Fine Technologies (India) Private Limited	14.14%	199.15	14.10%	72.38	71.14%	0.61	14.19%	73.00
Royalux Lighting Private Limited	18.73%	263.73	35.35%	181.49	-22.85%	(0.20)	35.25%	181.29
Royalux Exports Private Limited	12.60%	177.50	17.06%	87.60	-32.92%	(0.28)	16.98%	87.31
IKIO Solutions Private Limited	-0.57%	(7.99)	-2.15%	(11.01)	0.00%	-	-2.14%	(11.01)
Elimination	-13.36%	(188.10)	-3.08%	(15.83)	0.00%	-	-3.08%	(15.83)
<b>Total</b>	<b>100.00%</b>	<b>1,408.27</b>	<b>100.00%</b>	<b>513.47</b>	<b>100%</b>	<b>0.86</b>	<b>100%</b>	<b>514.33</b>

**40. Leases:** The group is a lessee under operating lease of different premises. The Company has executed non-cancellable operating leases for a period of 2, 3, 5, 15 and 90 years respectively. The Group has executed a short-term operating lease for a period of 11 months renewable as per mutual agreement.

Disclosure in respect of such operating leases is as given below:

**a) Break up value of the Current and Non - Current Lease Liabilities:**

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Current lease liabilities	12.67	9.24	7.86	6.31
Non-current lease liabilities	76.8	86.29	92.23	93.05
	<b>89.47</b>	<b>95.53</b>	<b>100.09</b>	<b>99.36</b>

The movement in lease liabilities during the year ended is as follows:

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Opening Balance	95.53	100.09	141.61	35.70
Addition - during the year	1.80	4.05	-	294.72
Finance cost accrued during the period	6.56	9.32	9.35	3.16
Payment of lease liabilities	(14.42)	(16.71)	(50.65)	(8.70)

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	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Adjustment on account of modification	-	-	-	(225.52)
Lease Concession	-	(1.22)	(0.22)	
Closing Balance	<b>89.47</b>	<b>95.53</b>	<b>100.09</b>	<b>99.36</b>

The details of the contractual maturities of lease liabilities at year ended on undiscounted basis are as follows:

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Not later than one year	12.67	10.30	16.46	6.32
Later than one year but not later than five years	2.66	10.81	8.82	23.86
Later than five years	74.14	74.42	74.81	69.18
	<b>89.47</b>	<b>95.53</b>	<b>100.09</b>	<b>99.36</b>

**Right-of-use (ROU) assets**

The changes in the carrying value of ROU assets for the year ended are as follows :

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Opening Balance	349.47	360.11	322.70	37.31
Addition -during the year	1.80	4.05	48.96	294.72
Depreciation of ROU assets	(11.86)	(14.69)	(11.55)	(9.33)
Adjustment on account of modification		-	-	
Closing Balance	<b>339.41</b>	<b>349.47</b>	<b>360.11</b>	<b>322.70</b>

The lease agreements do not have any restrictive onerous clauses, other than that those normally prevalent in similar agreements for use of assets, rent escalation, and lease renewal.

**41. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:				
Principal amount due to micro and small enterprises	100.18	64.07	19.59	5.15
Interest due on above	-	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period.	-	-	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-	-

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Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	-	-	-	-

## 42. Segment reporting

### A. Basis for Segmentation

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, and for which discrete financial information is available.

The board of directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility.

The Company's board reviews the results of each segment on a quarterly basis. The company's board of directors uses Profit after tax ('PAT') to assess the performance of the operating segments. Accordingly, there is only one reportable segment for the Company which is "Sale of Product", hence, no specific disclosures have been made.

### Entity wide disclosures

#### B. Information about reportable segments

The Company deals in one business segment namely "Manufacturing of LED Lighting" therefore, product wise revenue disclosures are not applicable to the Company.

#### i. Information about geographical areas

Company operates primarily under a single geographic location and accordingly, there are no separate reportable geographical segments.

### C. Revenue from Major Customers:

In IKIO Lighting Limited, revenue generated from one customer amounting to Rs. 1686.03 (March 31 2022:Rs. 2,006.03 millions) (March 31 2021: Rs. 1,510.34 millions) ( March 31,2020 : Rs. 1334.09 millions)

In Fine Technologies (India) Private Limited, revenue generated from one customer amounting to Rs. 78.98 Million (March 31, 2022: Rs. 96.16 millions) (March 31, 2021: Rs. 91.13 millions) (March 31,2020: Rs 67.78 Million)

In Royalux Lighting Private Limited, revenue generated from one customer amounting to Rs. 155.93 Million (March 31, 2022: Rs. 162.19 Million) (March 31, 2021: Rs. 94.93 Million). (March 31,2020 : Rs 92.68 million)

In Royalux Export, revenue generated from one customer amounting to Rs. 246.08 Million (March 31, 2022: Rs. 127.93 Million) (March 31, 2021: Rs. 49.14 Million).(March 31,2020 : Rs 88.74 Million)

## 43. Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

### A. Defined contribution plans:

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The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, administered and managed by the government of India. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Contribution to provident fund (refer note no 33)	12.65	13.51	9.87	9.68

**B. Defined benefit plan:****Gratuity**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. The gratuity liability is entirely unfunded.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognise each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of present value of the defined benefit obligation for gratuity were carried out as at 31 December 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. The following table set out the status of the defined benefit obligation	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Net defined benefit liability</b>				
Gratuity (Unfunded)	18.31	14.15	10.41	7.97
<b>Total employee benefit liabilities</b>	<b>18.31</b>	<b>14.15</b>	<b>10.41</b>	<b>7.97</b>
Non-current	17.03	13.28	10.13	7.82
Current	1.28	0.87	0.28	0.15

**B. Reconciliation of the net defined benefit liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	December 31, 2022			March 31, 2022			March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	14.15	-	14.15	10.41	-	10.41	7.97	-	7.97	3.51	-	3.51
<b>Included in profit or loss</b>												
Current service cost	4.49	-	4.49	5.94	-	5.94	5.25	-	5.25	3.76	-	3.76
Interest cost (income)	0.92	-	0.92	0.93	-	0.93	0.71	-	0.71	0.42	-	0.42
	<b>5.41</b>	<b>-</b>	<b>5.41</b>	<b>6.87</b>	<b>-</b>	<b>6.87</b>	<b>5.96</b>	<b>-</b>	<b>5.96</b>	<b>4.18</b>	<b>-</b>	<b>4.18</b>
<b>Included in OCI</b>												
Remeasurements loss (gain)				-	-	-	-	-	-	-	-	-

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	December 31, 2022			March 31, 2022			March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
– Actuarial loss (gain) arising from:	0.33	-	0.33	-	-	-	-	-	-	-	-	-
- financial assumptions	0.03	-	0.03	(1.91)	-	(1.91)	(0.45)	-	(0.45)	1.07	-	1.07
- demographic assumptions	1.05	-	1.05	-	-	-	-	-	-	-	-	-
- experience adjustment	(2.66)	-	(2.66)	(1.22)	-	(1.22)	(3.09)	-	(3.09)	(0.79)	-	(0.79)
	<b>(1.25)</b>	-	<b>(1.25)</b>	<b>(3.13)</b>	-	<b>(3.13)</b>	<b>(3.54)</b>	-	<b>(3.54)</b>	<b>0.28</b>	-	<b>0.28</b>
<b>Other</b>												
Contributions paid by the employer	-	-	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>18.31</b>	-	<b>18.31</b>	<b>14.15</b>	-	<b>14.15</b>	<b>10.41</b>	-	<b>10.41</b>	<b>7.97</b>	-	<b>7.97</b>

Expenses recognised in the Statement of profit and loss	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Service cost	4.49	5.94	5.25	3.76
Net interest cost	0.92	0.93	0.71	0.42

**C. Plan assets**

The Company does not have any plan assets.

**a) Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Discount rate	7.40% to 7.44%	7.44% to 7.50%	7.02% to 7.09%	6.73% to 6.80%
Expected rate of future salary increase	5%	5%	5% to 8%	5% to 8%

<b>b) Demographic assumptions</b>	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
i) Retirement age (years)	58-60 years	58-60 years	58-60 years	58-60 years
ii) Mortality rates inclusive of provision for disability	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)	IALM(2012-14)
iii) Withdrawal Rate	0.06	0.03	0.03	0.03



(All amounts are in rupees million unless otherwise stated)

**E. Sensitivity analysis:** Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	December 31, 2022		March 31, 2022		March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1.00% movement)	(0.68) to (0.03)	0.03 to 0.81	(0.73) to (0.03)	0.03 to 0.91	(0.58) to (0.03)	0.04 to 0.73	(0.44) to (0.02)	0.03 to 0.55
Salary escalation rate (1.00% movement)	0.03 to 0.79	(0.69) to (0.03)	0.03 to 0.86	(0.71) to (0.03)	0.03 to 0.70	(0.58) to 0.03	0.02 to 0.54	(0.45) to (0.02)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Sensitivities due to mortality is not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- A) Salary Increases- More than expected increase in the future salary levels may results in increase in the liabilities.
- B) Discount Rate: In case of yield on the government bonds drops in the future period then it may result in increase in liability.
- C) Withdrawals – if the actual withdrawal rate is turn out to be more or less than expected then it may result in increase in the liabilities.
- D) Mortality - if the actual mortality rate in the future turns out to be more or less than expected then it may result increase in the liabilities.

#### F. Expected maturity analysis of the defined benefit plans in future years

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Duration of defined benefit obligation				
Less than 1 year	1.32	0.89	0.29	0.16
Between 1-2 years	1.30	0.37	0.20	0.18
Between 2-5 years	4.15	2.09	1.24	0.81
Over 5 years	11.54	5.54	4.28	2.37
<b>Total</b>	<b>18.31</b>	<b>8.89</b>	<b>6.01</b>	<b>3.52</b>

#### 44. Related Party Disclosure

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

##### a) List of Related Parties

Relationship	Name of related party
Enterprises in which key management personnel and their relatives are able to exercise significant influence	Raina Metal Tech Private Limited
	Fine Technologies (India) Private Limited (Till September 11, 2022)

(All amounts are in rupees million unless otherwise stated)

Relationship	Name of related party
	IKIO Solutions Private Limited (Till September 11, 2022)
	Royalux Lighting Private Limited (Till September 11, 2022)
	Royalux Exports Private Limited (Till September 11, 2022)
	Inko Technologies
	Singh Enterprises
	Ikio Led Lighting LLC (Since September 12, 2022)
	Singh Engineering
<b>Wholly Owned Subsidiary</b>	Fine Technologies (India) Private Limited (Since September 12, 2022)
	IKIO Solutions Private Limited (Since September 12, 2022)
<b>Wholly Owned Step Down Subsidiary</b>	Royalux Lighting Private Limited (Since September 12, 2022)
	Royalux Exports Private Limited (Since September 12, 2022)
<b>Key Managerial Personnel</b>	Mr Hardeep singh
	Mrs Surmeet kaur
	Mr. Sanjeet singh
<b>Relative of Key Managerial Personnel</b>	Ms. Ishween kaur

(b) Details of related party transactions are as below:

Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>A) Transaction during the year</b>				
<b>Purchases</b>				
Inko Technologies	-	1.97	3.87	0.04
Singh Enterprises	1.18	0.51	0.48	0.37
Singh Engineering	0.25	-	-	-
<b>Remuneration/Salary</b>				
Mr. Hardeep Singh	17.54	85.00	66.00	48.05
Ms. Surmeet Kaur	8.12	28.50	27.00	17.85
Mr. Sanjeet Singh	9.64	20.70	19.68	1.20
Ms. Ishween Kaur	7.16	15.00	2.92	2.88
<b>Rent &amp; Others</b>				
Raina Metal Tech Private Limited	14.65	19.41	10.04	11.92

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Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Repayment of Loan</b>				
Mr. Hardeep Singh	353.79	24.44	97.45	45.31
Mrs Surmeet Kaur	39.00	-	-	7.80
Mr. Sanjeet Singh	22.74	-	-	-
<b>Sales of Goods &amp; Fixed Assets</b>				
Krishna Computech International Private Limited	-	0.49	0.76	0.63
Hardeep Singh	-	0.16	0.53	0.12
Ishween Kaur	-	0.15	0.03	11.28
Singh Enterprises	4.25	7.59	10.48	-
Ikio Led Lighting LLC*	37.71	131.01	56.93	88.74
<b>Receipt of loan</b>				
Mr. Hardeep Singh	422.91	148.90	90.76	52.10
Ms. Surmeet Kaur	44.59	30.60	7.40	19.65
Mr. Sanjeet Singh	21.80	-	-	-
Mrs. Ishween Kaur	7.00	-	-	-
<b>B) Balance outstanding with or from related parties as:-</b>				
<b>Receivables</b>				
Krishna Computech International Private Limited	-	-	0.66	-
Singh Enterprises	9.25	9.56	9.93	10.73
Mr. Hardeep Singh	-	-	0.53	0.18
Ms. Ishween Kaur	-	-	0.27	0.25
Ikio Led Lighting LLC	39.85	71.94	47.80	14.83
<b>Payables</b>				
Inko Technologies	-	-	0.28	0.02
Raina MetalTech Private Limited	0.39	0.19	3.26	3.89
Surmeet Kaur	65.04	59.45	29.10	12.95
Hardeep Singh	264.67	190.08	65.61	72.30
Mr. Sanjeet Singh	22.56	-	-	-

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Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Mrs. Ishween Kaur	7.10	0.10	0.10	0.10
<b>Guarantees Taken from</b>				
Mr. Hardeep Singh	195.82	217.19	93.52	39.07
Mrs. Surmeet Kaur	195.82	9.15	51.40	-
Mrs. Ishween Kaur	-	9.15	51.40	-
Mr. Sanjeet Singh	-	217.19	93.52	39.07
Raina MetalTech Private Limited	58.69	63.31	132.49	100.04
Inko Technologies	20.00	28.05	132.49	100.04
<b>Guarantees Given to</b>				
Inko Technologies	-	18.94	56.81	-
<b>Equitable Mortgage Taken from</b>				
Raina Metal Tech Private Limited	-	-	35.13	61.26

\*IKIO LED Lighting LLC (a promoter group entity), a customer of Royalux Exports Private Limited, has been included as a related party with effect from September 12, 2022, pursuant to the acquisition of 100% shareholding of Royalux Exports Private Limited by the Company.

**4. Terms and conditions of transactions with the related parties**

- i. The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.
- ii. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. None of the balances are secured.

**45. Corporate Social Responsibility****December 31 2022**

- a) Gross amount required to be spent by the company during the Fiscal 2023 is Rs. 6.85 millions.
- b) Amount spent during the period ended December 2022 was Rs. 2.00 millions.
- c) There are no shortfalls as at the Previous Year and full amount will be spend in current year too.
- d) The company does not have any ongoing project going on as at December 31, 2022.

**March 31 2022**

- a) Gross amount required to be spent by the company during the year was Rs. 5.02 millions.
- b) Amount spent during the year was Rs. 5.02 millions.
- c) There are no shortfalls as at the Current Year or Previous Year.
- d) The company does not have any ongoing project going on as at March 31, 2022.

**March 31 2021**

- a) Gross amount required to be spent by the company during the year was Rs. 2.65 millions.  
b) Amount spent during the year was Rs. 2.65 millions.  
c) The company does not have any ongoing project going on as at March 31, 2021.

**46. Earnings in foreign currency**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
F.O.B. value of exports	493.10	351.86	79.53	-

**47. Expenditure in foreign currency**

	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Raw material	1,209.63	1,279.39	735.19	374.43

**48. Fair value measurement and financial instruments**

- a) Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As on December 31, 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Other financial assets	-	-	10.11	<b>10.11</b>			
<b>Current</b>							
Trade receivables	-	-	731.93	<b>731.93</b>	-	-	-
Cash and cash equivalents	-	-	13.42	<b>13.42</b>	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	12.27	<b>12.27</b>	-	-	-
Others	-	-	3.56	<b>3.56</b>	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>771.29</b>	<b>771.29</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	210.49	<b>210.49</b>	-	-	-

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Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Lease liabilities	-	-	76.80	76.80	-	-	-
<b>Current</b>							
Borrowings	-	-	1,152.78	1,152.78	-	-	-
Lease liabilities	-	-	12.67	12.67			
Trade payables	-	-	308.11	308.11	-	-	-
Other financial liabilities	-	-	85.80	85.80			
<b>Total</b>	-	-	1,846.65	1,846.65			

As on March 31, 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Other financial assets	-	-	5.49	5.49			
<b>Current</b>							
Trade receivables	-	-	558.87	558.87	-	-	-
Cash and cash equivalents	-	-	21.80	21.80	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	5.46	5.46	-	-	-
Others	-	-	4.08	4.08	-	-	-
<b>Total</b>	-	-	595.70	595.70			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	387.24	387.24	-	-	-
Lease liabilities	-	-	86.29	86.29	-	-	-
<b>Current</b>							
Borrowings	-	-	678.39	678.39	-	-	-
Lease liabilities	-	-	9.24	9.24			
Trade payables	-	-	232.12	232.12	-	-	-
Other financial liabilities	-	-	85.66	85.66			
<b>Total</b>	-	-	1,478.94	1,478.94			

As on March 31, 2021

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(All amounts are in rupees million unless otherwise stated)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Other financial asset	-	-	3.46	<b>3.46</b>			
<b>Current</b>							
Trade receivables	-	-	327.55	<b>327.55</b>	-	-	-
Cash and cash equivalents	-	-	32.83	<b>32.83</b>	-	-	-
Bank Balances Other than Cash & Cash Equivalents)	-	-	3.44	<b>3.44</b>	-	-	-
Others	-	-	3.18	<b>3.18</b>	-	-	-
<b>Total</b>	-	-	<b>370.46</b>	<b>370.46</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings	-	-	345.88	<b>345.88</b>	-	-	-
Lease liabilities	-	-	92.23	<b>92.23</b>	-	-	-
<b>Current</b>							
Borrowings	-	-	347.70	<b>347.70</b>	-	-	-
Lease liabilities	-	-	7.86	<b>7.86</b>	-	-	-
Trade payables	-	-	231.03	<b>231.03</b>	-	-	-
Other financial liabilities	-	-	41.21	<b>41.21</b>	-	-	-
<b>Total</b>	-	-	<b>1,065.91</b>	<b>1,065.91</b>			

As on March 31, 2020

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Other financial asset	-	-	3.05	<b>3.05</b>			
<b>Current</b>							
Trade receivables	-	-	298.19	<b>298.19</b>	-	-	-
Cash and cash equivalents	-	-	77.59	<b>77.59</b>	-	-	-
Bank Balances Other than Cash & Cash Equivalents	-	-	4.75	<b>4.75</b>	-	-	-
Others	-	-	5.94	<b>5.94</b>	-	-	-
<b>Total</b>	-	-	<b>389.52</b>	<b>389.52</b>			
<b>Financial liabilities</b>							

*(All amounts are in rupees million unless otherwise stated)*

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Non-current</b>							
Borrowings	-	-	169.99	<b>169.99</b>	-	-	-
lease liabilities	-	-	93.05	<b>93.05</b>	-	-	-
<b>Current</b>							
Borrowings	-	-	298.62	<b>298.62</b>	-	-	-
lease liabilities	-	-	6.31	<b>6.31</b>	-	-	-
Trade payables	-	-	324.69	<b>324.69</b>	-	-	-
Other financial liabilities	-	-	22.25	<b>22.25</b>	-	-	-
<b>Total</b>	-	-	<b>914.91</b>	<b>914.91</b>			

**Level 1:** It includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of non-current financial assets which includes bank deposits (due for maturity after twelve months from the reporting date) and security deposits is similar to the carrying value as there is no significant differences between carrying value and fair value.

The fair value for security deposits were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

## **b. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk



*(All amounts are in rupees million unless otherwise stated)*

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

#### **(i) Credit risk**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

<b>Particulars</b>	<b>As at December 31, 2022</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Trade receivables	731.93	558.87	327.55	298.19
Cash and cash equivalents	13.42	21.80	32.83	77.59
Bank balances other than cash and cash equivalents	12.27	5.46	3.44	4.75
Others	3.56	4.08	3.18	5.94

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance.

This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors. Further, the Company does not anticipate any material credit risk of any of its other receivables.

The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Movement in the allowance for impairment in respect of trade receivables:

(All amounts are in rupees million unless otherwise stated)

Particulars	For the year ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning	13.22	13.64	4.63	-
Impairment loss recognised / (reversed)	(2.08)	(0.42)	9.01	4.63
Amount written off		-	-	-
Balance at the end	<b>11.14</b>	<b>13.22</b>	<b>13.64</b>	<b>4.63</b>

## (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

**The Company's liquidity management process as monitored by management, includes the following:**

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

As at December 31,2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
<b>Non current</b>					
Non current borrowings	210.49	-	210.49	-	210.49
Lease liabilities	76.80	-	2.66	74.14	76.80
<b>Current</b>					
Borrowings	1,152.78	1,152.78	-	-	1,152.78
Lease liabilities	12.67	12.67	-	-	12.67
Trade payables	308.11	308.11	-	-	308.11
Other financial liabilities	85.80	85.80	-	-	85.80
<b>Total</b>	<b>1,846.65</b>	<b>1,559.36</b>	<b>213.15</b>	<b>74.14</b>	<b>1,846.65</b>

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As at March 31, 2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
<b>Non current</b>					
Non current borrowings	387.24	-	387.24	-	387.24
Lease liabilities	86.29	-	86.29	-	86.29
<b>Current</b>					
Borrowings	678.39	678.39	-	-	678.39
Lease liabilities	9.24	9.24	-	-	9.24
Trade payables	232.12	232.12	-	-	232.12
Other financial liabilities	85.66	85.66	-	-	85.66
<b>Total</b>	<b>1,478.94</b>	<b>1,005.41</b>	<b>473.53</b>	<b>-</b>	<b>1,478.94</b>

As at March 31, 2021	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
<b>Non current</b>					
Non current borrowings	345.88	174.39	86.18	85.31	345.88
Lease liabilities	92.23	69.20	17.77	5.26	92.23
<b>Current</b>					
Borrowings	347.70	347.70	-	-	347.70
Lease liabilities	7.86	7.86	-	-	7.86
Trade payables	231.03	231.03	-	-	231.03
Other financial liabilities	41.21	41.21	-	-	41.21
<b>Total</b>	<b>1,065.91</b>	<b>871.39</b>	<b>103.95</b>	<b>90.57</b>	<b>1,065.91</b>

As at March 31, 2020	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
<b>Non current</b>					
Non current borrowings	169.99	-	123.59	46.40	169.99
Lease liabilities	93.05	-	93.05	-	93.05
<b>Current</b>					
Borrowings	298.62	298.62	-	-	298.62
Lease liabilities	6.31	6.31	-	-	6.31
Trade payables	324.69	324.69	-	-	324.69
Other financial liabilities	163.86	163.86	-	-	163.86
<b>Total</b>	<b>1,056.52</b>	<b>793.48</b>	<b>216.64</b>	<b>46.40</b>	<b>1,056.52</b>

### iii. Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has exposure to two type of market risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk.

#### Exposure to currency risk

The summary of quantitative data about the company exposure to currency risk, as expressed in Indian Rupees as at December 31, 2022, March 31, 2022 , March 31, 2021 and March 31, 2020

Particulars	As at December 31, 2022			
	Currency	Amount	Currency	Amount
<b>Financial assets</b>				
Trade receivable	INR	228.76	USD	2.76
<b>Financial liabilities</b>				
Trade Payable	INR	73.60	USD	0.89
Borrowings	INR	7.86	USD	0.09

Particulars	As at March 31, 2022			
	Currency	Amount	Currency	Amount
<b>Financial assets</b>				
Trade receivable	INR	167.97	USD	2.22
<b>Financial liabilities</b>				
Trade Payable	INR	93.63	USD	1.24
Borrowings	INR	9.15	USD	0.12

Particulars	As at March 31, 2021			
	Currency	Amount	Currency	Amount
<b>Financial assets</b>				

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*(All amounts are in rupees million unless otherwise stated)*

Trade receivable	INR	101.71	USD	1.38
<b>Financial liabilities</b>				
Trade Payable	INR	48.20	USD	0.66
Borrowings	INR	11.86	USD	0.16

Particulars	As at March 31, 2020			
	Currency	Amount	Currency	Amount
<b>Financial assets</b>				
Trade receivable	INR	1.51	USD	0.02
<b>Financial liabilities</b>				
Trade Payable	INR	32.03	USD	0.43

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Working Capital Term Loan	-	8.25	18.45	14.25
Term Loan	235.86	303.17	255.63	143.65
Cash Credit	650.75	262.92	75.55	99.29
Packing credit loan	-	109.54	39.45	35.00
<b>Total</b>	<b>886.61</b>	<b>683.88</b>	<b>389.08</b>	<b>292.20</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
<b>Interest on term loans from banks</b>				
For the period ended December 31, 2022	(4.43)	4.43	(3.32)	3.32
For the year ended March 31, 2022	(3.42)	3.42	(1.95)	1.95

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(All amounts are in rupees million unless otherwise stated)

For the year ended March 31, 2021	(1.95)	1.95	(0.92)	0.92
For the year ended March 31, 2020	(1.46)	1.46	(1.02)	1.02

#### 49. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at December 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Borrowings	1,363.27	1065.63	693.58	468.62
Less : Cash and cash equivalent	(13.42)	(21.80)	(32.83)	(77.59)
<b>Adjusted net debt (A)</b>	<b>1,349.85</b>	<b>1043.83</b>	<b>660.75</b>	<b>391.03</b>
<b>Total equity (B)</b>	<b>1,408.28</b>	<b>1,088.70</b>	<b>628.58</b>	<b>358.99</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>0.96</b>	<b>0.96</b>	<b>1.05</b>	<b>1.09</b>

#### 50. Ratio Analysis

Ratios	Formula	Period Ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	% change	Year ended March 31, 2020	% change
Current Ratio	Current Assets	1.41	1.76	1.63	7.89%	1.08	51.10%
	Current Liabilities						
Debt Equity Ratio	Total Debt	0.97	0.98	1.10	-11.29%	1.31	-15.47%
	Total Shareholders' Equity						
Debt Service Coverage Ratio	Earnings available for debt services	0.64	1.08	1.23	-12.00%	1.11	10.73%
	Finance Cost + Short term debt(including current maturities of long term debt)+ Current Lease Liability						

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(All amounts are in rupees million unless otherwise stated)

Ratios	Formula	Period Ended December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	% change	Year ended March 31, 2020	% change
Return on Equity Ratio	Net Profit after Taxes- Preference Dividend (If any)	0.36	0.46	0.46	1.25%	0.60	-23.15%
	Equity Shareholder's Funds						
Inventory Turnover Ratio	Cost of Goods Sold	1.72	2.29	2.53	-9.50%	4.80	-47.17%
	Average Inventory						
Trade Receivable Turnover Ratio	Credit Sales	5.09	7.49	6.82	9.75%	7.73	-11.76%
	Average Account Receivables						
Trade Payable Turnover Ratio	Credit Purchases	8.04	10.57	5.04	109.59%	5.29	-4.62%
	Average Account Payables						
Net Capital Turnover Ratio	Sales	4.42	5.37	8.75	-38.70%	20.38	-57.04%
	Average Working Capital						
Net Profit Ratio	Net Profit	0.16	0.15	0.13	12.80%	0.10	38.85%
	Sales						
Return on Capital Employed	EBIT	0.26	0.35	0.33	3.17%	0.42	-20.44%
	Capital Employed						

Ratios of Proforma consolidated financials for the period ended December 31, 2022 are not comparable with Ratios of year ended March 31, 2022, March 31, 2021 and March 31, 2020

**51. Deferred Tax Asset (Net)**

**A. Amounts recognised in Profit or Loss**

Current tax expense	December 31,2022	March 31, 2022	March 31, 2021	March 31, 2020
Current period/year	162.59	187.92	120.92	92.81
Adjustment for prior years	0.10	1.76	-	2.64
	<b>162.69</b>	<b>189.68</b>	<b>120.92</b>	<b>95.46</b>
<b>Deferred tax expense</b>				
Change in recognised temporary differences	10.04	(0.14)	(10.17)	(7.76)
<b>Total Tax Expense</b>	<b>172.73</b>	<b>189.54</b>	<b>110.75</b>	<b>87.69</b>

**B. Amounts recognised in Other Comprehensive Income**

(All amounts are in rupees million unless otherwise stated)

	Period ended December 31, 2022			Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	1.25	(0.39)	0.86	3.13	(0.80)	2.33	3.54	(1.01)	2.53	(0.28)	0.08	(0.20)
	<b>1.25</b>	<b>(0.39)</b>	<b>0.86</b>	<b>3.13</b>	<b>(0.80)</b>	<b>2.33</b>	<b>3.54</b>	<b>(1.01)</b>	<b>2.53</b>	<b>(0.28)</b>	<b>0.08</b>	<b>(0.20)</b>

**52. Details with respect to the Benami Properties:**

No proceedings have been initiated or pending against the group under the Benami Transactions (prohibition) Act, 1988 for the period ended December 31, 2022 and year ended March 31, 2022.

**53. Undisclosed income:**

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

**54. Changes consequent to amendment to Schedule III of Companies Act, 2013**

Ministry of Corporate Affairs ("MCA") issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 (the "Amended Schedule III") to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the group for the financial year starting April 01, 2021. Hence Companies under the group has incorporated all the applicable amendments in its Financial Statements for the year ended March 31, 2022.

**55. Details of Crypto Currency or Virtual Currency**

Profit or loss on transactions involving Crypto currency or Virtual Currency: No transaction during the period

Amount of currency held as at the reporting date: No transaction during the period

Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency: No transaction during the period

**56. Wilful Defaulter:**

No bank or financial institution has declared the companies under the group as "Wilful defaulter".

**57. Details in respect of Utilization of Borrowed funds and share premium shall be provided in respect of:**

Particulars	Description
Transactions where an entities under the group has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the period.
Transactions where an entities under the group has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the period.



**58. Relationship with Struck off Companies:**

No transaction has been made with the company struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the period ended December 31, 2022 and year ended March 31, 2022.

**59. Registration of charges or satisfaction with Registrar of Companies:**

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending for the period ended December 31, 2022 and year ended March 31, 2022.

**60. Compliance with number of layers of companies:**

Where the company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

No layers of companies has been established beyond the limit prescribed as per above said section / rules.

**61. Loan or advances granted to the promoters, directors and KMPs and the related parties:**

No loan or advances in the nature of loans are granted to the promoters, directors, key managerial persons and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:

- a) repayable on demand or
- b) without specifying any terms or period of repayment

Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

**62. Previous year's figures are not comparable with the current period.**

**For BGJC & Associates LLP**

Chartered Accountants  
ICAI Firm Registration No.: 003304N/N500056

**Pranav Jain**

Partner  
Membership No. 098308  
Place: Noida  
Date: May 12, 2023

**For and on behalf of the Board of Directors of  
IKIO Lighting Limited**

**Hardeep Singh**

Managing Director  
DIN: 00118729

Place: Noida  
Date: May 12, 2023

**Subhash Agrawal**

CFO

Place: Noida  
Date: May 12, 2023

**Surmeet Kaur**

Whole Time Director  
DIN: 00118695

Place: Noida  
Date: May 12, 2023

**Sandeep Agarwal**

Company Secretary  
M. No.: 066255

Place: Noida  
Date: May 12, 2023

## OTHER FINANCIAL INFORMATION

### Accounting ratios derived from the Restated Consolidated Financial Information

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, unless otherwise mentioned)

Particulars	For the nine month period ended on December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Restated profit for the year (A)	345.82	280.10	205.80	159.93
Weighted average number of equity shares at the end of the year for the calculation of basic and diluted earnings per share (B)	65,000,000	65,000,000	65,000,000	65,000,000
<b>Restated basic earnings per share (C=A/B) (in ₹)</b>	<b>5.32</b>	<b>4.31</b>	<b>3.17</b>	<b>2.46</b>
<b>Restated diluted earnings per share (D=A/B) (in ₹)</b>	<b>5.32</b>	<b>4.31</b>	<b>3.17</b>	<b>2.46</b>
<b>Reconciliation of return on net worth</b>				
Restated profit for the year (A)	345.82	280.10	205.80	159.93
Net worth (B)	1,266.15	764.41	483.16	276.52
<b>Return on net worth (in %) (C=A/B)</b>	<b>27.31</b>	<b>36.64</b>	<b>42.60</b>	<b>57.84</b>
<b>Reconciliation of net asset value per share</b>				
Net worth (A)	1,266.15	764.41	483.16	276.52
Outstanding number of equity shares at the end of the year, as adjusted for bonus issue <sup>#</sup> (B)	65,000,000	65,000,000	65,000,000	65,000,000
<b>Net asset value per equity share (₹) (C=A/B)</b>	<b>19.48</b>	<b>11.76</b>	<b>7.43</b>	<b>4.25</b>
<b>EBITDA</b>	<b>498.43</b>	<b>401.50</b>	<b>302.82</b>	<b>263.37</b>

#### Notes:

\* Ratios for the nine-month period ended December 31, 2022 has not been annualised

<sup>#</sup>After considering the bonus issue of Equity Shares undertaken our Company. The Board of Directors pursuant to a resolution dated September 14, 2022 and the special resolution dated September 16, 2022 passed by our Shareholders, have approved the issuance of 40,000,000 bonus Equity Shares in the ratio of eight Equity Shares for every five existing fully paid up Equity Share which were issued and allotted on September 17, 2022.

- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year/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 year. This has been adjusted by giving effect of bonus issuance subsequent to respective balance sheet dates for all periods presented.
- Basic and Diluted earnings per equity share: Restated profit for the year divided by the weighted average number of shares at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.
- Return on net worth %: Return on Net Worth (%) is calculated by dividing the restated profit for the year to the Net worth.
- Net assets value per share (in ₹): Net Asset Value per Share represents Net worth divided by the numbers of shares outstanding at the end of respective year. The number of shares outstanding at the end of reporting period has been adjusted by giving effect of bonus issuance subsequent to respective balance sheet dates for all periods presented.
- "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at December 31, 2022, March 31, 2022, March

31, 2021 and March 31, 2020.

- f) "EBITDA" is calculated as restated profit for the year plus tax expense, finance cost, depreciation and amortization expenses less other income.

#### Accounting ratios derived from the Proforma Consolidated Financial Information

The accounting ratios of our Company as required under Item 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, unless otherwise mentioned)

Particulars	For the nine month period ended on December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit for the year (A)	513.47	505.16	288.06	214.07
Weighted average number of equity shares at the end of the year for the calculation of basic and diluted earnings per share (B)	65,000,000	65,000,000	65,000,000	65,000,000
Basic earnings per share (C=A/B) (in ₹)	7.90	7.77	4.43	3.29
Diluted earnings per share (D=A/B) (in ₹)	7.90	7.77	4.43	3.29
<b>Reconciliation of return on net worth</b>				
Net profit for the year (A)	513.47	505.16	288.06	214.07
Net worth (B)	1,408.28	1,088.70	628.58	358.99
<b>Return on net worth (in %) (C=A/B)</b>	<b>36.46</b>	<b>46.40</b>	<b>45.83</b>	<b>59.63</b>
<b>Reconciliation of net asset value per share</b>				
Net worth (A)	1,408.28	1,088.70	628.58	358.99
Outstanding number of equity shares at the end of the year, as adjusted for bonus issue (B)	65,000,000	65,000,000	65,000,000	65,000,000
<b>Net asset value per equity share (₹) (C=A/B)</b>	<b>21.67</b>	<b>16.75</b>	<b>9.67</b>	<b>5.52</b>
<b>EBITDA</b>	<b>734.05</b>	<b>773.14</b>	<b>478.09</b>	<b>373.07</b>

#### Notes:

\* Ratios for the nine-month period ended December 31, 2022 has not been annualised

<sup>#</sup>After considering the bonus issue of Equity Shares undertaken our Company. The Board of Directors pursuant to a resolution dated September 14, 2022 and the special resolution dated September 16, 2022 passed by our Shareholders, have approved the issuance of 40,000,000 bonus Equity Shares in the ratio of eight Equity Shares for every five existing fully paid up Equity Share which were issued and allotted on September 17, 2022.

- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year/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 year. This has been adjusted by giving effect of bonus issuance subsequent to respective balance sheet dates for all periods presented.
- Basic and Diluted earnings per equity share: Proforma profit for the year divided by the weighted average number of shares at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.
- Return on net worth %: Return on Net Worth (%) is calculated by dividing the proforma profit for the year to the Net worth.
- Net assets value per share (in ₹): Net Asset Value per Share represents Net worth divided by the numbers of shares outstanding at the end of respective year. The number of shares outstanding at the end of reporting period has been adjusted by giving effect of bonus issuance subsequent to respective balance sheet dates for all periods presented.

- e. *“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the proforma balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.*
- f. *“EBITDA” is calculated as proforma profit for the year plus tax expense, finance cost, depreciation and amortization expenses less other income.*

In accordance with the with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited financial information of our Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 (collectively, the **“Audited Financial Information”**) is available on our website at [https://ikio.in/uploads/ipo/IKIO\\_Lighting\\_Ltd\\_BS\\_2022.pdf](https://ikio.in/uploads/ipo/IKIO_Lighting_Ltd_BS_2022.pdf). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Information do not and will not constitute, (i) a part of this Red Herring Prospectus or (ii) the 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 or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Information should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain.

None of our Company or any of its advisors, nor the Selling Shareholders, nor Book Running Lead Manager 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 Information, or the opinions expressed therein.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for nine month period ended on December 31, 2022 and for Fiscals 2022, 2021 and 2020 and as reported in the Restated Consolidated Financial Information, see "*Financial Information – Note 42 – Related Party Transaction*" beginning on page 302.

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

The following discussion and analysis of our financial condition and results of operations is intended to convey management's perspective on our financial condition and results of operations for the nine-month period ended December 31, 2022, and Fiscals 2022, 2021 and 2020. We have included in this section a discussion of our financial statements on a restated consolidated basis, as well as on a proforma consolidated basis. This discussion and analysis are based on, and should be read in conjunction with, our Restated Consolidated Financial Information (including the schedules, notes and significant accounting policies thereto) included in the section titled "Restated Consolidated Financial Information" beginning on page 250 and our Proforma Financial Information included in the section titled "*Financial Information – Proforma Consolidated Financial Information*" beginning on page 318.

Our Restated Consolidated Financial Information have been derived from our audited financial statements for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020 and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Please also see "Risk Factors – *Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Consolidated Financial Information and Proforma Consolidated Financial Information prepared and presented in accordance with Ind-AS contained in this Red Herring Prospectus*", on page 67.

Unless otherwise indicated or the context requires otherwise, (i) the financial information for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020 included herein have been derived from our restated balance sheets as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and our restated statements of profit and loss, cash flows and changes in equity for the nine-month period ended December 31, 2022, and the fiscal years ended March 31, 2022, March 31, 2021 and March 31, 2020 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon, and (ii) the proforma consolidated financial information for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020 included herein have been prepared by our management and reviewed by our statutory auditors.

With effect from September 12, 2022, our Company owns 100% of the outstanding share capital of Fine Technologies (India) Private Limited ("FTIPL") and IKIO Solutions Private Limited ("ISPL"); FTIPL, in turn, owns 100% of the outstanding share capital of Royalux Lighting Private Limited ("RLPL") and Royalux Exports Private Limited ("REPL", and collectively with FTIPL, ISPL, RLPL and REPL, the "Subsidiaries"). As the Company did not own the Subsidiaries prior to September 12, 2022, the Restated Consolidated Financial Information relating to the period from April 1, 2022 to September 11, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020, does not include financial information for the Subsidiaries prior to their acquisitions by our Company. The assets and liabilities of the Subsidiaries are included in the restated balance sheet as at December 31, 2022; the income and expenses of the Subsidiaries are included in the restated statement of profit and loss only for the period from September 12, 2022 to December 31, 2022. The Proforma Consolidated Financial Information have been prepared to include the Subsidiaries, which are under the common control of the Promoter, as if such entities were wholly owned subsidiaries of the Company for the entirety of the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "*Forward-Looking Statements*" beginning on page 23 for a discussion of the risks and uncertainties related to those statements and also the section titled "*Risk Factors*" and "*Our Business*" beginning on pages 33 and 188, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan and commissioned and paid for by us and prepared exclusively in connection with the Offer. We commissioned the F&S Report on April 20, 2023. The F&S Report is available at the following web-link: <https://ikio.in/ipo>. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant financial year. For further details and risks in relation to commissioned reports, see “Risk Factors — *Certain sections of this Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*” on page 63. Also, see “*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data*” on page 19.

Unless otherwise stated, a reference to “the Company”, or “our Company” in this section is a reference to IKIO Lighting Limited on a standalone basis, while any reference to “we”, “us” and “our” in this section refers to IKIO Lighting Limited and its subsidiaries and associates on a consolidated basis.

## Overview

We are an Indian manufacturer of light emitting diode (“LED”) lighting solutions. We are focused on sustainability and providing low energy LED products to help India meet its sustainability goals. We are primarily an original design manufacturer (“ODM”) and design, develop, manufacture and supply products to customers who then further distribute these products under their own brands. We also work with our customers to develop, manufacture and supply products that are designed by our customers. Our products are categorised as (i) LED lighting; (ii) refrigeration lights; (iii) ABS (acrylonitrile butadiene styrene) piping; and (iv) other products. Our LED lighting offerings focus on the premium segment and include lighting, fittings, fixtures, accessories and components. We provide lighting solutions (lights, drivers and controls) to commercial refrigeration equipment suppliers under our refrigeration light segment. We also manufacture an alternative to polyvinyl chloride (“PVC”) piping called ABS piping that is primarily used by our US customers for plumbing applications in the recreational vehicles (“RVs”) that they fit out. In addition, we manufacture and assemble other products including fan regulators that are designed by our clients; light strips, moulding, and other components and spares. Our equipment and systems are used in various industries and products, including residential, industrial and commercial lighting.

Our largest customer is Signify Innovations India Limited, erstwhile Philips Electronics India Limited (“Signify (Philips)”), which according to Frost & Sullivan in Fiscal 2022 had a 50% market share in India’s functional decorative lighting category (including LED spotlights, LED downlights and cove lights) and a 10% market share in India’s true-blue decorative lighting segment (including chandeliers, wall lights, pendants, outdoor lights). (Source: F&S Report, March 2023). One of our Promoters, Hardeep Singh, has a 10 year long relationship with Signify (Philips). In addition to Signify (Philips), we have a diversified customer base across all our other product segments across industry sectors and geographies which include Western Refrigeration Private Limited, Panasonic Life Solutions India Private Limited and Novateur Electrical & Digital Systems Private Limited. We have a history of high customer retention. In Fiscal 2022, we derived approximately 93.56% of our consolidated restated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and in Fiscal 2022, we derived 73.63% and 78.81% of our proforma consolidated revenues from operations from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). In the nine months ended December 31, 2022 and in Fiscal 2022, our consolidated restated revenue from operations from our top ten customers were ₹2,068.87 million and ₹2,172.63 million, respectively, which represented 85.94% and 98.80%, respectively, of our consolidated restated revenues from operations. In December 31, 2022 and in Fiscal 2022, our proforma consolidated revenue from operations from our top ten customers was ₹2,575.41 million and ₹2,659.18 million, respectively, which represented 78.37% and 80.13%, respectively, of our proforma consolidated revenues from operations. We enjoyed relationships of over three years with seven out of these top ten customers. In addition, we are building an international customer base, primarily in the United States.

Our R&D department focuses on product designing, tools and mould designing, electronic circuit designing and prototype designing. Our R&D department independently develops ODM designs and verifies and develops OEM designs received from customers and converts such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. As of February 28, 2023, our R&D team consists of 27 members, 14 of whom hold Bachelors of Technology (Electronics & Communication and Mechanical) and the remaining 13 have a diploma in electronics / electricals and graduate degree. In the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020, our R&D expenses on a consolidated restated basis were ₹12.25 million, ₹8.38 million, ₹6.13 million, and ₹9.00 million, respectively, which formed 0.51%, 0.38%, 0.38% and 0.64%, respectively, of our consolidated restated revenue from operations. Further, in the nine months ended December 31, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal

2020, on a proforma consolidated basis, our R&D expenses were ₹15.42 million, ₹13.05 million, ₹10.15 million, and ₹12.11 million, respectively, which formed 0.47%, 0.39%, 0.48% and 0.55%, respectively, of our revenue from operations on a proforma consolidated basis.

Our manufacturing operations are a key driver of our business. We have four manufacturing facilities with one located in the SIDCUL Haridwar industrial park in Uttarakhand and three in Noida in the National Capital Region. In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities so that we manufacture all mechanical components inhouse (save diodes and resistors). For our installed capacity and capacity utilization, see “*Our Business - Manufacturing – Capacity, Production and Capacity Utilization*” on page 202.

## **Principal Factors Affecting Our Results of Operations**

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of raw materials and supplies, COVID-19-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled “*Risk Factors*” beginning on page 33.

### **1. Cost and availability of raw materials and other inputs**

Our Cost of Goods Sold, which is the aggregate of our costs of materials consumed and changes in inventories, makes up the largest portion of our operating expenses. For the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our Cost of Goods Sold on a restated basis amounted to ₹1,577.58 million, ₹1,455.44 million, ₹1,059.62 million and ₹943.63 million, respectively, which represented 64.87%, 65.94%, 66.21% and 67.05% of our total income on a restated basis, respectively. For the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our Cost of Goods Sold on a proforma consolidated basis amounted to ₹2,021.65 million, ₹1,922.11 million, ₹1,204.13 million and ₹1,392.18, respectively, which represented 60.75%, 57.55%, 56.12% and 62.76% of our total income on a proforma consolidated basis, respectively.

Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials and components, particularly diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium die cast and extruded aluminium, various metals, electrical and electronic components, aluminium products, stainless steel products, palladium oxide, carbon steel products, valves and gauges and fabricated metal components.

We primarily source our key raw materials and components used in the manufacturing process from third-party suppliers in India and internationally. In addition to India, we also source raw materials from vendors primarily based in China. In the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our imported raw materials as a percentage of total raw materials purchases on a restated basis represented 49.82%, 48.44%, 53.93% and 34.67%, respectively. In the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our imported raw materials as a percentage of total raw materials purchases on a proforma consolidated basis represented 55.67%, 52.25%, 52.45% and 24.07%, respectively. Due to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors), we started increasing purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days’ worth of stock on hand, as compared to 30-60 days previously.

The prices of our raw materials are based on, or linked to, the global pricing of such raw materials and components. Volatility in commodity prices can significantly affect our raw material costs. We usually do not enter into long-term supply contracts with our raw material suppliers, and typically source raw materials from third-party suppliers under contracts of shorter periods or on the open market. The absence of long-term supply contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. However, due to our purchase volumes, we generally have the ability to negotiate raw materials pricing with many suppliers on a bilateral basis. We do not enter into hedging activities for our foreign currency positions. Any variations in raw materials pricing are generally passed on to the customer. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political



conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

We face the risk that suppliers may be unable to provide raw materials in the quantities we ordered or at all or that the market price of raw materials may increase without warning. Where certain raw materials may not be available at all or at commercially acceptable prices, we may be unable to manufacture the products in which such raw materials are components at all until such raw materials become available again. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations.

## 2. Macroeconomic trends that affect global demand for LED lighting solutions

Our growth and results of operations and financial condition are significantly affected by end-customer demand for our products and services, which in turn is linked to macroeconomic factors driving demand for our end-customers' products and services in India and globally. These factors may include levels of per capita disposable income, levels of consumer spending, consumer preferences, business investment, changes in interest rates, fuel and power prices, government policies or taxation, social or civil unrest and political, economic or other developments that affect consumption and business activities in general.

Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer and business confidence and consumption or the performance of our end-customers. For example, our operations and the demand for our products were adversely impacted in Fiscal 2020 and Fiscal 2021 by certain macro-economic developments, including the multi-sector slowdown in India and globally caused by the COVID-19 pandemic that resulted in weak economic performance and a decrease in demand for many industries.

## 3. Revenue from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our largest customer is Signify Innovations India Limited, erstwhile Philips Electronics India Limited ("Signify (Philips)"), which according to Frost & Sullivan in Fiscal 2022 had a 50% market share in India's functional decorative lighting category (including LED Spot Lights, LED downlights and cove lights) and a 10% market share in India's true-blue decorative lighting segment (including chandeliers, wall lights, pendants, outdoor lights). (Source: F&S Report, March 2023). Our revenue from sales of products to Signify (Philips) on both a restated basis and a proforma consolidated basis has increased from ₹1,345.08 million in Fiscal 2020 to ₹2,006.03 million in Fiscal 2022. In the nine-month period ended December 31, 2022, our revenue from sales of products to Signify (Philips) on both a restated basis and a proforma consolidated basis was ₹1,686.03 million. On a restated basis, revenue from sales of products to Signify (Philips) accounted for 70.04%, 91.23%, 94.60% and 95.63% of our total revenue from operations in the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. On a proforma consolidated basis, revenue from sales of products to Signify (Philips) accounted for 51.31%, 60.45%, 70.76% and 61.07%, respectively, of our total revenue from operations in the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. Our revenue from sales of products to our top ten and top 20 customers on a restated basis in the nine-month period ended December 31, 2022 and Fiscal 2022 was as follows:

(₹ in millions, except for percentages)

Revenue from sales of products (restated basis)	For the nine-month period ended December 31, 2022		For the fiscal year ended March 31, 2022	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Top ten customers	2,068.87	85.94	2,172.63	98.80
Top 20 customers	2,185.65	90.80	2,198.95	100.00

Our revenue from sales of products to our top ten and top 20 customers on a proforma consolidated basis in the nine-month period ended December 31, 2022 and Fiscal 2022 was as follows:

(₹ in millions, except for percentages)

Revenue from sales of products (proforma consolidated basis)	For the nine-month period ended December 31, 2022		For the fiscal year ended March 31, 2022	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Top ten customers	2,575.41	78.37	2,659.18	80.13

Revenue from sales of products (proforma consolidated basis)	For the nine-month period ended December 31, 2022		For the fiscal year ended March 31, 2022	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations
Top 20 customers	2,817.38	85.73	2,821.25	85.02

While we are continuing to expand and diversify our product offerings (e.g., refrigerator lighting, RV lighting and accessories for exports, ABS piping and accessories, solar panels and controller systems for RVs), we expect that, in the foreseeable future, a limited number of customers (including Signify (Philips)) will continue to comprise a significant percentage of our operating revenue.

We do not enter into long-term purchase agreements with our customers. Our customers generally provide us with periodic plans/forecasts for purposes of providing non-binding information for production and manufacturing planning. Subsequently, our customers provide us with purchase orders which typically include precise pricing and terms. We have a history of high customer retention. In the nine-month period ended December 31, 2022 and Fiscal 2022, we derived approximately 85.49% and 93.56%, respectively, of our revenues from operations on a restated basis and 73.63% and 78.81%, respectively, of our revenues on a proforma consolidated basis from repeat customers (defined as customers from which we have had revenues in the past three fiscal years). We enjoyed relationships of over three years with seven out of our top ten customers. Moreover, our Promoter has enjoyed a business relationship with certain of our key customers (e.g., Signify (Philips)) for several years prior to the incorporation of the Company. Nevertheless, there can be no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

#### 4. Impact from COVID-19

Globally, border controls, travel restrictions and quarantine measures have been imposed by various countries in an effort to contain the spread of the COVID-19 outbreak, which have resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in a number of countries, including India. Moreover, there is no assurance that such measures will be effective in ending or restricting the spread of COVID-19, and many countries, including countries that we export our products have experienced further COVID-19 outbreaks even after such measures had been eased.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortages, logistics disruptions and reduced demand at times. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. The impact of COVID-19, including as a result of the GoI measures described above implemented to reduce the spread of COVID-19, had an impact on business operations, financial performance and financial position in various ways since the fourth quarter of Fiscal 2020. These material adverse effects included (but were not limited to) the following:

Due to the nationwide lockdown, we were required to shut down our manufacturing operations from March 25, 2020 to May 3, 2020. Any future restrictions on our workforce's access to any of our manufacturing facilities and the health and availability of our workforce could limit our ability to meet customer orders and have a material adverse effect on our business, results of operations and financial condition.

Due to COVID-19 lockdowns, some of our management and administrative employees worked from their homes remotely for certain periods. Furthermore, employees at our manufacturing plants had to follow stringent standard operating procedures (SOPs) to ensure their safety. Our production plans slowed down in the first and second quarters of Fiscal 2021.

We experienced an overall lower demand for our products during the first quarter of Fiscal 2021 leading to a substantial decrease in revenue from operations compared to the first quarter of Fiscal 2020. (For more information, see "Results of Operations based on the Proforma Consolidated Financial Information – Fiscal 2021 compared to Fiscal 2020" below.) Our revenue from operations on a restated basis increased from ₹1,406.48 million in Fiscal 2020 to ₹1,596.63 million in Fiscal 2021. However, on a proforma consolidated basis, our revenue from operations decreased from ₹2,202.47 million in Fiscal 2020 to ₹2,134.46 million in Fiscal 2021. We experienced improved business conditions and improved financial results thereafter until the second wave when we again experienced overall lower demand for our products during the first quarter of Fiscal 2022, where demand fell marginally as compared to the first quarter of Fiscal 2020. However, business activity recovered in the latter part of Fiscal 2022, resulting in a 37.72% increase in revenue from operations on a restated basis (from ₹1,596.63 million in Fiscal 2021 to ₹2,198.95 million in Fiscal 2022) and a 55.47% increase in revenue from operations on a proforma consolidated basis (from ₹2,134.46 million in Fiscal 2021 to ₹3,318.40 million in Fiscal 2022). (For more information, see "Results of Operations based on the Proforma Consolidated Financial Information – Fiscal 2022 compared to Fiscal 2021" below.)

We rely on many suppliers and contractors. During Fiscal 2022 and Fiscal 2021, we have faced challenges in obtaining certain raw materials and components and encountered a sharp increase in the prices of raw materials and components and shipping freight, both inward and outward, in the second half of Fiscal 2021 and Fiscal 2022. For instance, largely in response to the global semiconductor shortage, we started increasing purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days' worth of stock on hand, as compared to 30-60 days previously. In addition, our R&D team designed re-engineered solutions to adapt available raw materials and components for use in certain products in order to ensure an uninterrupted supply of products to customers. Increases in prices of raw materials and components could have a material adverse effect on our business, results of operations and financial condition if we are not able to pass on such higher costs to our customers. In addition, global logistics disruptions have resulted in an increase in our freights and logistics costs and may continue to do so.

As at the date of this Red Herring Prospectus, all of our manufacturing facilities are back to normal operating levels and activity levels in the industrial sectors to which we cater have stabilized. However, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent the COVID-19 pandemic does adversely affect our business, financial condition or results of operations, it may also have the effect of heightening many of the factors listed in the section "*Risk Factors*" on page 33.

## **5. Growth opportunities in the LED market driven in part by increasing consumer adoption**

Frost & Sullivan, in their F&S Report, March 2023, points out that LED bulbs in the last decade gained momentum as the popular choice and emerged as an alternative to the commonly used incandescent and CFL bulbs. In a price sensitive market such as India, LEDs are increasingly being accepted as they rank higher when it comes to energy saving and lifespan when compared to the other two aforementioned alternatives. LEDs are far more energy efficient than their CFL counterparts and at the same time are more reliable. When these advantages are factored in, the initial higher price of LED become justified for consumers. Although the Indian LED lighting market is at a relatively nascent stage, it offers innumerable opportunities for growth over the next few decades. Furthermore, increasing affordability for consumers and their growing desire for convenience and ease of use is spurring the demand for home and decorative lighting. As at Fiscal 2022, the Indian LED lighting market is valued at INR 217,020 million (USD 2.89 Billion) and is estimated to expand at a rate of CAGR of 12.2% to reach INR 338,000 million (USD 4.5 billion) from Fiscal 2023 to Fiscal 2026. (Source: F&S, March 2023 Report).

Due to the nature of the product, LEDs not only have a higher initial cost, but also rely on imported components for their manufacture. If there is a slowdown in the adoption of these lighting solutions due to further increases in costs due to the ongoing global supply chain disruptions, it could affect our business and operations. Further, if we are unable to keep up with the strong demand, we could lose the opportunity for newer business from our existing clients.

## **6. Increasing international sales**

Domestic sales have been historically important for our business; however, our international business has become an increasingly key growth driver for our business in recent years. We have built a strong international customer base. Our subsidiary, REPL, spearheads our international exporting business to the United States. During the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenue from exports on a proforma consolidated basis was ₹493.10 million, ₹351.97 million, ₹86.95 million, and ₹90.64 million, respectively, which constituted 15.00%, 10.61%, 4.07% and 4.12%, respectively, of our revenue from operations on a proforma consolidated basis. During the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our revenue from exports on a restated basis was ₹159.90 million ₹24.50 million, ₹6.56 million, and ₹0.68 million, respectively, which constituted 6.64%, 1.11%, 0.41% and 0.05%, respectively, of our revenue from operations on a restated basis.

There is a new urgency now to examine practical alternatives to manufacturing in China given the tariff conflicts and the aftereffects of the COVID-19 pandemic, along with rising manufacturing cost structures and changing geo-political landscape. However, transferring production decisions is not very straightforward as concentrated production of all major components in China improves the product cost, efficiency and time-to-market. Due to the above factors, OEMs are considering an alternative country for additional production rather than completely replacing China. OEMs are considering developing economies as potential manufacturing locations out of which India has a particular edge as a developing country that provides infrastructure as well as a platform for cost-cutting. (Source: F&S, March 2023 Report).

We currently export primarily to the United States, but we intend to continue to expand our export business. Given our demonstrated operational and financial track record, we are confident that our existing ODM relations as well as new ones

will provide us with the opportunity to service some of their international jurisdictions. We are in negotiations with multiple customers, primarily in the United States, as well as other jurisdictions, for the supply of LED home lighting products and other solutions.

## 7. Capital Outlay for Expansion of our Manufacturing Capacity

We require substantial capital to expand the installed capacities at our existing manufacturing facilities (including for new product lines that we intend to manufacture), and to construct new manufacturing facilities. As at February 28, 2023, we have four manufacturing facilities in India, with one located at SIDCUL Haridwar industrial park in Uttarakhand and three located in Noida in the National Capital Region. The following table summarizes our manufacturing facilities as at February 28, 2023, as certified by Sapient Services Private Limited, Chartered Engineer:

Location/Description	Commissioning Date	Covered Area (square feet)	Headcount as of February 28, 2023	Product Lines	Capacity (1) Pieces in Million	Capacity Utilisation (1)
IKIO facility at SIDCUL Haridwar, Uttarakhand, India.	Fiscal 2016	42,517	749	LED Lights	18.00	54.33%
				Regulator & Switches	2.25	81.50%
FITP facility at Electronic City, Noida (Delhi/NCR)	Fiscal 1999	80,000	411	Regulator & Switches	19.50	76.44%
RLPL facility at Noida Delhi/NCR	Fiscal 2015	112,077	258	Refrigerator LED lighting and drivers	2.50	59.29%
REPL facility at Noida Special Economic Zone (NSEZ) Noida, Delhi/NCR	Fiscal 2019	57,171	71	LED light products and ABS pipes RVs	0.13	70.57%

In the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, we incurred capital expenditure (including RoU) of ₹99.13 million, ₹42.46 million, ₹33.17 million and ₹39.69 million, respectively, on a restated basis and ₹206.15 million, ₹124.60 million, ₹132.51 million and ₹351.84 million, respectively, on a proforma consolidated basis. A significant amount of our capital expenditure has been and is expected to continue to be aimed at increasing our manufacturing capacities, upgrading our facilities and diversifying our product lines.

We aim to invest a total of ₹2,123.11 million over the period from Fiscal 2023 to Fiscal 2024 to construct a new manufacturing facility of approximately 500,000 sq.ft. at Noida, to manufacture LED home lighting, solar panel & systems and ABS pipes, and to purchase new plant & machinery. We have acquired a parcel of land in Noida for purposes of this expansion project and are currently in the process of construction and obtaining the necessary permits and registrations. See “*Objects of the Offer*” on page 101 for more information.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price.

## 8. Seasonality

Our business is subject to seasonality. The third and fourth quarters tend to be the strongest sales periods in any given fiscal year as spending on LED lighting tends to increase during the festive season in India and shortly thereafter.

## Statement of Significant Accounting Policies

### Basis of Preparation

The restated consolidated financial statements of the Company comprises the Restated Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Cash Flows and the Restated Statement of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the Summary Statement of Significant Accounting

Policies, and other explanatory notes (collectively, the “Restated Consolidated Financial Statements”). These Restated Consolidated Financial Statements have been prepared by the management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (collectively the “Offer Documents”) prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) in terms of the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the “Guidance Note”).

These restated consolidated financial statements have been compiled by the Management from the Audited Ind AS financial statements of the Company for the year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on June 22, 2022. The comparative information for the year ended March 31, 2021 included in such financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards, notified under the Section 133 of the Act ("Indian GAAP") which was approved by the Board of Directors at their meeting held on July 05, 2021; and Audited special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2020 prepared in accordance with Ind AS prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meeting held on June 22, 2022. The restated financial statements have been prepared so as to contain information disclosures compiled by the management from Audited Ind AS Financial statements of the Company for the year ended March 31, 2022 (included comparative numbers for year ended March 31, 2021) and Special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2020.

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except as otherwise stated.

The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Consolidated Statements and are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2022. The Restated Consolidated Financial Statements:

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and 2020 to reflect the same accounting treatment as per the accounting policy and regrouping/classifications followed as at end of the year ended March 31, 2022; and
- do not require any adjustment for modification as there is no modification in the underlying audit reports.

***(i) Statement of compliance:***

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the “Act”) and other relevant provisions of the Act.

The Company's financial statements up to and for the year ended March 31, 2021, were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act as per IGAAP (“Previous GAAP”).

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-Group transactions, balances and income and expenses are eliminated in full on consolidation.

The consolidated financial statements of the Group are prepared for the purpose of inclusion in relevant documents in connection with proposed Offering of the Company.

These Ind AS consolidated financial statements were authorised for issue by the Company's Board of Directors on June 22, 2022.

The significant accounting policies adopted in the preparation of these financial statements are included in Note 2. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accompanying consolidated financial statements reflect the results of the activities undertaken by the Group during the period April 01, 2022 to December 31, 2022.

***(ii) Current and non-current classification***

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Based on the above criteria, the Group has ascertained its accounting cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

***(iii) Functional and presentation currency***

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

***(iv) Basis of measurement***

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability	Present value of defined benefit obligations

Use of estimates and judgements

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note no 40: leases: whether an arrangement contains a lease;

Note no 46: classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending December 31, 2022 is included in the following notes:

Note no 3: measurement of useful lives and residual values to property, plant and equipment;

Note no 3 & 5: impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on internally generated intangible assets;

Note no 5: measurement of useful lives of intangible assets;

Note no 37: deferred tax

Note no 38: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources;

Note no 46: Fair value measurement of financial instruments and impairment of financial assets.

#### **(v) Measurement of fair value**

A number of accounting policies and disclosures require measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either —

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to! by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **Summary of significant accounting policies**

##### **(i) Revenue**

In recognising revenue, the Group applies Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard require apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Group expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Group earns revenue from sales of LED lighting and other related products.

##### **Revenue from sale of LED lighting**

Revenue from sale of LED lighting is recognized at the point of time upon transfer of control of promised goods to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods i.e., when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be reliably measured. Revenue is recognized at the fair value of the consideration received or receivable, which is generally the contracted price, net of any taxes/duties and discounts considering the impact of variable consideration.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

##### **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Use of significant judgements in revenue recognition: -

The performance obligation is satisfied upon delivery of the goods.

At the time of entering into the agreement / raising an invoice, performance obligations in the contract are identified. The Company/entity delivers goods as per terms & condition of the contract. Contracts are of differing natures and sometimes have one specific performance obligation, and on other occasions have multiple performance obligations. Contract liability has been created towards unsatisfied or partially satisfied performance obligation.

Contract fulfilment costs are expensed as incurred.

Interest income

Interest income on time deposits and inter-corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other income

In respect of other heads of income, the Group follows the practice of recognising income on accrual basis.

## (ii) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting year in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

Particulars	Useful lives (in years)
Tangible assets:	
Building	60
Furniture and fixtures	8-10
Plant & Machinery	15



Office equipment	5
Vehicle	8-10
Computer equipment	3
Computer servers and networks	6

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

### (iii) Other intangible assets

#### Other intangible assets

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the written down value method and is included in depreciation and amortisation expense in the statement of profit and loss.

The useful lives of intangible assets are as follows:

Intangible assets:	Useful lives (in years)
Software	5

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

### (iv) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or CGU's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is

allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

#### (v) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (vi) Financial instruments

##### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

##### ii. Classification and subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost;

Fair value through other comprehensive income (FVOCI), or

Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL: the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL: the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### Financial assets: Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Group's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features, prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

### iii. Offsetting

Financial assets and monetary liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### iv. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

### v. Impairment of financial instruments:

The Group recognises loss allowances for expected credit losses on:-

Financial assets measured at amortised cost; and

Financial assets measured at FVOCI – debt investments

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

significant financial difficulty of the borrower or issuer;  
a breach of contract such as a default or being past due for agreed credit period;  
the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;  
it is probable that the borrower will enter bankruptcy or another financial reorganisation; or  
the disappearance of an active market for a security because of financial difficulties.

Expected credit loss:

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Group considers a financial asset to be in default when:  
the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or  
the financial asset is past due and not recovered within agreed credit period.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (vii) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average.

The Cost comprises all costs of purchases and other costs incurred in bringing the inventory to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

#### (viii) Employee Benefits

##### Short term employee benefits:

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Benefits such as salaries, wages, and bonus etc. are recognised in the statement of profit and loss in the year in which the employee renders the related service. The liabilities are presented as current employee benefit obligation in the balance sheet.

##### Long term employee benefits

Defined contribution plan: Provident fund

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952. These contributions are made to the fund administered and managed by the Government of India. The Group has no further obligations under the plan beyond its monthly contributions. Obligation for contribution to defined contribution plan are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by the employees.

#### Defined Benefit Plan: Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group provides for retirement benefits in the form of Gratuity, which provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. Benefits payable to eligible employees of the Group with respect to gratuity is accounted for on the basis of an actuarial valuation as at the balance sheet date.

The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost as at the balance sheet date. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is recognised as an income or expense in the other comprehensive income. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The Group's determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Actuarial gain and losses are recognised in the Other Comprehensive Income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### Other long-term benefits: Compensated absences

Benefits under the Group's compensated absences scheme constitute other employee benefits. The liability in respect of compensated absences is provided on the basis of an actuarial valuation using the Projected Unit Credit Method, done by an independent actuary as at the balance sheet date. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss.

#### (ix) Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

##### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;  
taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is 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 laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be real.

#### (x) Contingent Liability, Contingent Asset and Provisions

##### Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

##### Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

##### Provisions

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### (xi) Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

#### (xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity

shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period, unless they have been issued at a later date.

#### (xiii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 — Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Group's Management to allocate resources to the segments and assess their performance.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:  
Segment revenue includes sales and other income directly identifiable with / allocable to the segment.  
Expenses that are directly identifiable with I allocable to segments are considered for determining the segment result.  
Expenses which relate to the Group as a whole and not allocable to segments are included under unallowable expenditure.  
Income which relates to the Group as a whole and not allocable to segments is included in unallowable income.  
Segment assets and liabilities include those directly identifiable with the respective segments. Unallowable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. Refer Note 42 for segment information.

#### (xiv) Leases

##### Company/Entities as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

the contract involves the use of an identified asset  
the Group has substantially all the economic benefits from use of the asset through the period of the lease and  
the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.



The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company/Entities as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Changes in the accounting policies, if any, in the last three years and their effect on our profits and reserves

There are no changes in the accounting policies in the last three years which have effect on our profits and reserves.

### **Key Performance Indicators and Non-GAAP Financial Measures**

In addition to our financial results determined in accordance with Ind AS, we consider and use those certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative to the Restated Consolidated Financial Information. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, in comparing our financial results with other companies in our industry, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures and key performance indicators, when taken collectively with the Restated Consolidated Financial Information, prepared in accordance with Ind AS, may be helpful to investors as an additional tool to evaluate our ongoing operating results and trends and to compare our financial results to prior periods.

Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by Ind AS. In addition, non-GAAP financial measures and key performance indicators used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is

that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

#### A. Based on the Restated Consolidated Financial Information

Set forth below are certain non-GAAP measures derived from our Restated Consolidated Financial Information for the nine-month period ended December 31, 2022 and the fiscal years ended March 31, 2022, March 31, 2021, and March 31, 2020.

(₹ in millions, except for ratios and percentages)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
EBITDA(1)	498.43	401.50	302.82	263.37
EBITDA Margin(2)	20.71%*	18.26%	18.97%	18.73%
Fixed Asset Turnover Ratio(3)	3.74*	12.80	10.37	9.38
Debt-Equity Ratio(4)	1.15	0.21	0.10	0.28
PAT Margin(5)	14.22%	12.69%	12.86%	11.36%
Return on Equity(6)	27.31%*	36.64%	42.59%	57.84%
Return on Capital Employed (7)	18.10%*	41.63%	52.98%	68.44%
Net Debt / EBITDA Ratio(8)	2.86*	0.39	0.16	0.04

Notes:

\* not annualised

- EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (y) total tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses less other income.
- EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the sum of (i) net block of tangible fixed assets (excluding CWIP), and (ii) right of use assets.
- Debt-Equity Ratio is calculated as (i) the sum of non-current borrowings, current borrowings (including current maturities of non0-current borrowings) and current and non-current lease liabilities divided by (ii) total equity.
- PAT Margin is calculated as profit after tax divided by total revenue.
- Return on Equity is calculated as profit after tax divided by total equity.
- Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed.
- Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA where Net Debt is calculated as total debt (short term and long term) less cash and cash equivalents (including free bank balances) at the end of the year.

#### EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses (“EBITDA”) and EBITDA Margin, including a reconciliation of each such financial measure to the Restated Consolidated Financial Information for the nine-month period ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

(₹ in millions, except percentages)

Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31,		
		2022	2021	2020
Revenue from operations (A)	2,407.21	2,198.95	1,596.63	1,406.48
Profit after tax (B)	345.82	280.10	205.80	159.93
Add: Tax expenses (C)	119.32	99.83	70.57	60.92
Add: Finance costs (D)	27.01	5.34	5.61	20.92
Add: Depreciation and amortisation expenses (E)	30.84	24.47	24.60	22.44
Less: Other income (F)	24.57	8.24	3.76	0.84
EBITDA (G=B+C+D+E-F)	498.43	401.50	302.82	263.37
EBITDA Margin (H=G/A)	20.71%*	18.26%	18.97%	18.73%

\* not annualised

Our EBITDA on a restated basis has increased at a 23.47% CAGR from ₹263.37 million in Fiscal 2020 to ₹401.50 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our EBITDA on a restated basis was ₹401.50 million, ₹302.82 million and ₹263.37 million, respectively, while our EBITDA Margins on a restated basis in the same Fiscals were 18.26%, 18.97% and 18.73%, respectively. Our profit for the year has increased from ₹159.93 million in Fiscal 2020 to ₹280.10 million in Fiscal 2022. In the nine-month period ended December 31, 2022, our EBITDA and EBITDA Margin on a restated basis was ₹498.43 million and 20.71%, respectively. Our profit for the period was ₹345.82 million.

### Fixed Asset Turnover Ratio

The following table sets forth our Fixed Asset Turnover Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine-month period ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the Net Block as at the end of the year/period. Net Block is calculated as the sum of (i) net block of tangible fixed assets (excluding CWIP), and (ii) right of use assets.

(₹ in millions, except ratios)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Net block of fixed assets (1)	303.38	168.45	153.93	149.97
Right of use assets (2)	339.41	3.36	-	-
Gross Block (A = (1)+(2))	642.79	171.81	153.93	149.97
Revenue from operations (B)	2,407.21	2,198.95	1,596.63	1,406.48
Fixed Asset Turnover Ratio (C=B/A)	3.74*	12.80	10.37	9.38

\* not annualised

Our Fixed Asset Turnover Ratio on a restated basis was 12.80, 10.37 and 9.38 in Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. In the nine-month period ended December 31, 2022, our Fixed Asset Turnover Ratio was 3.74.

### Debt-Equity Ratio and Net Debt / EBITDA Ratio

The following table sets forth our Debt-Equity Ratio and Net Debt/EBITDA Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine-month period ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Debt-Equity Ratio is calculated as Total Debt divided by total equity. Total Debt is calculated as the sum of (i) non-current borrowings, (ii) current borrowings (including current maturities of non-current borrowings), and (iii) current and non-current lease liabilities. Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt is calculated as Total Debt less cash and cash equivalents and bank balances (other than cash and cash equivalents) as at the end of the year/period.

(₹ in millions, except percentages and ratios)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Non-current borrowings (1)	210.49	11.08	20.88	26.57
Non-current lease liabilities (2)	76.80	1.91	-	-
Current borrowings including current maturities of non-current borrowings (3)	1,152.78	147.22	28.72	51.20
Current lease liabilities (4)	12.67	1.40	-	-
Total Debt (A=(1)+(2)+(3)+(4))	1,452.74	161.61	49.60	77.77
Equity Share capital (i)	650.00	250.00	0.50	0.50
Other equity (ii)	616.15	514.41	482.66	276.02
Total Equity (B=(i)+(ii))	1,266.15	764.41	483.16	276.52
Debt-Equity Ratio (C=A/B)	1.15	0.21	0.10	0.28
Cash and cash equivalents (4)	13.42	6.50	1.93	66.04

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Bank balances other than above (5)	12.27	-	0.01	0.49
Net Debt (D=A-(4)-(5))	1,427.05	155.11	47.66	11.24
EBITDA (E)	498.43	401.50	302.82	263.37
Net Debt / EBITDA Ratio (F=D/E)	2.86*	0.39	0.16	0.04

\* not annualised

Our Debt-Equity Ratio on a restated basis was 1.15, 0.21, 0.10 and 0.28 as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our Net Debt / EBITDA Ratio on a restated basis was 2.86, 0.39, 0.16 and 0.04 in the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

### PAT Margin

The following table sets forth our PAT Margin, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. PAT Margin is calculated as profit after tax divided by total income.

Particulars	For the nine-month period ended December 31, 2022	(₹ in millions, except percentages) For the fiscal year ended March 31,		
		2022	2021	2020
Profit after tax (A)	345.82	280.10	205.80	159.93
Total Revenue (B)	2,431.78	2,207.19	1,600.39	1,407.32
PAT Margin (C=A/B)	14.22%	12.69%	12.86%	11.36%

Our profit after tax margins (PAT Margin) on a restated basis were 14.22%, 12.69%, 12.86%, and 11.36%, respectively, in the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020.

### Return on Equity

The following table sets forth our Return on Equity, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine-month period ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Return on Equity is calculated as profit after tax by total equity as at the end of the year/period.

Particulars	As at, and for the nine-month period ended, December 31, 2022	(₹ in millions, except percentages) As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Profit after tax (A)	345.82	280.10	205.80	159.93
Total equity (B)	1,266.15	764.41	483.16	276.52
Return on Equity (C=A/B)	27.31*	36.64%	42.59%	57.84%

\* not annualised

Our Return on Equity on a restated basis was 36.64%, 42.59%, and 57.84%, respectively, in Fiscal 2022, Fiscal 2021 and Fiscal 2020. In the nine-month period ended December 31, 2022, our Return on Equity on a restated basis was 27.31%.

### Return on Capital Employed

The following table sets forth our Return on Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine-month period ended December 31, 2022 and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Return on Capital Employed is calculated as (1) the sum of (i) profit after tax, (ii) total tax expenses, and (iii) finance costs, divided by (2) Capital Employed. Capital Employed is calculated as sum of tangible net worth and Total Debt as at the end of the Fiscal Year/fiscal period.

(₹ in millions, except percentages)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Profit after tax (1)	345.82	280.10	205.80	159.93
Add: Tax expenses (2)	119.32	99.83	70.57	60.92
Add: Finance costs (3)	27.01	5.34	5.61	20.92
EBIT (A=1+2+3)	492.15	385.27	281.98	241.77
Total assets (i)	3,212.89	1,126.07	741.01	509.80
Total liabilities (ii)	1,946.74	361.66	257.85	233.28
Intangible Assets (iii)	0.46	0.46	0.50	1.03
Tangible Net Worth (B=(i)-(ii)-(iii))	1,265.69	763.95	482.66	275.49
Non-current borrowings (4)	210.49	11.08	20.88	26.57
Non-current lease liabilities (5)	76.80	1.91	-	-
Current borrowings including current maturities of non-current borrowings (6)	1,152.78	147.22	28.72	51.20
Current lease liabilities (7)	12.67	1.40	-	-
Total Debt (C=(4)+(5)+(6)+(7))	1,452.74	161.61	49.60	77.77
Capital Employed (D=B+C)	2,718.43	925.56	532.26	353.26
Return on Capital Employed (E=A/D)	18.10%*	41.63%	52.98%	68.44%

\* not annualised

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our Return on Capital Employed on a restated basis was 41.63%, 52.98%, and 68.44%, respectively. In the nine-month period ended December 31, 2022, our Return on Capital Employed on a restated basis was 18.10%.

## B. Based on the Proforma Consolidated Financial Information

Set forth below are certain non-GAAP measures derived from our Proforma Consolidated Financial Information for the nine-month period ended December 31, 2022, and for the fiscal years ended March 31, 2022, March 31, 2021, and March 31, 2020.

(₹ in millions, except for ratios and percentages)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
EBITDA(1)	734.05	773.14	478.09	373.07
EBITDA Margin(2)	22.34%*	23.30%	22.40%	16.94%
Fixed Asset Turnover Ratio(3)	5.11*	5.49	3.65	4.08
Debt-Equity Ratio(4)	1.03	1.07	1.26	1.58
PAT Margin(5)	15.43%	15.12%	13.42%	9.65%
Return on Equity(6)	36.46%*	46.40%	45.83%	59.63%
Return on Capital Employed (7)	25.62%*	33.07%	31.13%	37.61%
Net Debt / EBITDA Ratio(8)	1.94*	1.47	1.58	1.30

Notes:

\* not annualised

- EBITDA is calculated as the sum of (i) profit for the year from continuing operations, (y) total tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses less other income.
- EBITDA Margin is calculated as EBITDA divided by revenue from operations.
- Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the sum of (i) net block of tangible fixed assets (excluding CWIP) and (ii) right of use assets.
- Debt-Equity Ratio is calculated as (i) the sum of non-current borrowings, current borrowings (including current maturities of non-current borrowings) and current and non-current lease liabilities divided by (ii) total equity.

5. PAT Margin is calculated as profit after tax divided by total revenue.
6. Return on Equity is calculated as profit after tax divided by total equity.
7. Return on Capital Employed is calculated as earnings before interest and tax divided by Capital Employed.
8. Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA where Net Debt is calculated as total debt (short term and long term) less cash and cash equivalents (including free bank balances) at the end of the year.

### EBITDA and EBITDA Margin

The following table sets forth our EBITDA and EBITDA Margin, including a reconciliation of each such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020.

(₹ in millions, except percentages)

Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31,		
		2022	2021	2020
Revenue from operations (A)	3,286.27	3,318.40	2,134.46	2,202.47
Profit after tax (B)	513.47	505.16	288.06	214.07
Add: Tax expenses (C)	172.73	189.54	110.75	87.69
Add: Finance costs (D)	46.70	49.18	43.70	46.39
Add: Depreciation and amortisation expenses (E)	42.80	50.81	46.85	40.73
Less: Other income (F)	41.65	21.55	11.26	15.81
EBITDA (G=B+C+D+E-F)	734.05	773.14	478.10	373.07
EBITDA Margin (H=G/A)	22.34%*	23.30%	22.40%	16.94%

\* not annualised

Our EBITDA on a proforma consolidated basis has increased at a 43.96% CAGR from ₹373.07 million in Fiscal 2020 to ₹773.14 million in Fiscal 2022. In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our EBITDA on a proforma consolidated basis was ₹773.14 million, ₹478.10 million and ₹373.07 million, respectively, while our EBITDA Margins on a proforma consolidated basis in the same Fiscals were 23.30%, 22.40% and 16.94%, respectively. In the nine-month period ended December 31, 2022, our EBITDA and EBITDA Margin, on a proforma consolidated basis, were ₹734.05 million and 22.34%, respectively. Our profit for the year, on a proforma consolidated basis, has increased from ₹214.07 million in Fiscal 2020 to ₹505.16 million in Fiscal 2022. In the nine-month period ended December 31, 2022, our profit for the period was ₹513.47 million.

### Fixed Asset Turnover Ratio

The following table sets forth our Fixed Asset Turnover Ratio, including a reconciliation of such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Fixed Asset Turnover Ratio is calculated as revenue from operations divided by the Net Block as at the end of the year/period. Net Block is calculated as the sum of (i) net block of tangible fixed assets (excluding CWIP), and (ii) right of use assets.

(₹ in millions, except ratios)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Net block of fixed assets (1)	303.38	254.68	224.78	216.98
Right of use assets (2)	339.41	349.47	360.11	322.70
Gross Block (A = (1)+(2))	642.79	604.15	584.89	539.68
Revenue from operations (B)	3,286.27	3,318.40	2,134.46	2,202.47
Fixed Asset Turnover Ratio (C=B/A)	5.11*	5.49	3.65	4.08

\* not annualised

Our Fixed Asset Turnover Ratio on a proforma consolidated basis was 5.49, 3.65 and 4.08 in Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. In the nine-month period ended December 31, 2022, our Fixed Asset Turnover Ratio on a proforma consolidated basis was 5.11.

## Debt-Equity Ratio and Net Debt / EBITDA Ratio

The following table sets forth our Debt-Equity Ratio and Net Debt/EBITDA Ratio, including a reconciliation of such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Debt-Equity Ratio is calculated as Total Debt divided by total equity. Total Debt is calculated as the sum of (i) non-current borrowings, (ii) current borrowings (including current maturities of non-current borrowings), and (iii) current and non-current lease liabilities. Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA. Net Debt is calculated as Total Debt less cash and cash equivalents and bank balances (other than cash and cash equivalents) as at the end of the year/period.

Particulars	As at, and for the nine-month period ended, December 31, 2022	(₹ in millions, except percentages and ratios) As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Non-current borrowings (1)	210.49	387.24	345.88	169.99
Non-current lease liabilities (2)	76.80	86.29	92.23	93.05
Current borrowings including current maturities of non-current borrowings (3)	1,152.78	678.39	347.70	298.62
Current lease liabilities (4)	12.67	9.24	7.86	6.31
Total Debt (A=(1)+(2)+(3)+(4))	1,452.74	1,161.16	793.67	567.97
Equity Share capital (i)	650.00	250.00	0.50	0.50
Other equity (ii)	758.28	838.70	628.08	358.49
Total Equity (B=(i)+(ii))	1,408.28	1,088.70	628.58	358.99
Debt-Equity Ratio (C=A/B)	1.03	1.07	1.26	1.58
Cash and cash equivalents (4)	13.42	21.80	32.83	77.59
Bank balances other than above (5)	12.27	5.46	3.44	4.75
Net Debt (D=A-(4)-(5))	1,427.05	1,133.90	757.40	485.63
EBITDA (E)	734.05	773.14	478.10	373.07
Net Debt / EBITDA Ratio (F=D/E)	1.94*	1.47	1.58	1.30

\* not annualised

Our Debt-Equity Ratio on a proforma consolidated basis was 1.03, 1.07, 1.26 and 1.58 as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, respectively. Our Net Debt / EBITDA Ratio on a proforma consolidated basis was 1.47, 1.58 and 1.30 in Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively. In the nine-month period ended December 31, 2022, our Net Debt / EBITDA Ratio on a proforma consolidated basis was 1.94.

## PAT Margin

The following table sets forth our PAT Margin, including a reconciliation of such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. PAT Margin is calculated as profit after tax divided by revenue from operations.

Particulars	For the nine-month period ended December 31, 2022	(₹ in millions, except percentages) For the fiscal year ended March 31,		
		2022	2021	2020
Profit after tax (A)	513.47	505.16	288.06	214.07
Total Revenue (B)	3,327.92	3,339.95	2,145.72	2,218.28
PAT Margin (C=A/B)	15.43%	15.12%	13.42%	9.65%

Our profit after tax margins (PAT Margin) on a proforma consolidated basis have increased to 15.12% in Fiscal 2022 from 9.65% in Fiscal 2020. In the nine-month period ended December 31, 2022, our PAT Margin on a proforma consolidated basis was 15.43%.

## Return on Equity

The following table sets forth our Return on Equity, including a reconciliation of such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Return on Equity is calculated as profit after tax by total equity as at the end of the year/period.

(₹ in millions, except percentages)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Profit after tax (A)	513.47	505.16	288.06	214.07
Total equity (B)	1,408.28	1,088.70	628.58	358.99
Return on Equity (C=A/B)	36.46%*	46.40%	45.83%	59.63%

\* not annualised

Our Return on Equity on a proforma consolidated basis was 46.40%, 45.83%, and 59.63%, respectively, in Fiscal 2022, Fiscal 2021 and Fiscal 2020. In the nine-month period ended December 31, 2022, our Return on Equity on a proforma consolidated basis was 36.46%.

## Return on Capital Employed

The following table sets forth our Return on Capital Employed, including a reconciliation of such financial measure to the Proforma Consolidated Financial Information, for the nine-month period ended December 31, 2022, and for Fiscal 2022, Fiscal 2021 and Fiscal 2020. Return on Capital Employed is calculated as (1) the sum of (i) profit after tax, (ii) total tax expenses, and (iii) finance costs, divided by (2) Capital Employed. Capital Employed is calculated as sum of tangible net worth and Total Debt as at the end of the Fiscal Year/fiscal period.

(₹ in millions, except percentages)

Particulars	As at, and for the nine-month period ended, December 31, 2022	As at, and for the fiscal year ended, March 31,		
		2022	2021	2020
Profit after tax (1)	513.47	505.16	288.06	214.07
Add: Tax expenses (2)	172.73	189.54	110.75	87.69
Add: Finance costs (3)	46.70	49.18	43.70	46.39
EBIT (A=1+2+3)	732.90	743.88	442.51	348.15
Total assets (i)	3,355.02	2,648.65	1,744.50	1,448.26
Total liabilities (ii)	1,946.74	1,559.95	1,115.92	1,089.27
Intangible Assets (iii)	0.46	0.51	0.62	1.22
Tangible Net Worth (B=(i)-(ii)-(iii))	1,407.83	1,088.19	627.96	357.77
Non-current borrowings (4)	210.49	387.24	345.88	169.99
Non-current lease liabilities (5)	76.80	86.29	92.23	93.05
Current borrowings including current maturities of non-current borrowings (6)	1,152.78	678.39	347.7	298.62
Current lease liabilities (7)	12.67	9.24	7.86	6.31
Total Debt (C=(4)+(5)+(6)+(7))	1,452.74	1,161.16	793.67	567.97
Capital Employed (D=B+C)	2,860.57	2,249.35	1,421.63	925.74
Return on Capital Employed (E=A/D)	25.62%*	33.07%	31.13%	37.61%

\* not annualised

In Fiscal 2022, Fiscal 2021 and Fiscal 2020, our Return on Capital Employed on a proforma consolidated basis was 33.07%, 31.13% and 37.61%, respectively. In the nine-month period ended December 31, 2022, our Return on Capital Employed on a proforma consolidated basis was 25.62%.



## Overview of Income and Expenditure

The following descriptions set forth information with respect to key components of our profit and loss statement.

### Income

Total income consists of revenue from operations and other income.

### Revenue from operations

Revenue from operations comprises of revenue from sales of products manufactured by the Company, including LED lighting (including LED strip lights, rechargeable bulbs, alternating current light strips) and other products, refrigeration lights, LED Drivers, LED Lights for recreational vehicles (RVs), and acrylonitrile butadiene styrene (“ABS”) piping, among other products, manufactured by our subsidiaries. One of our subsidiaries manufactures fittings & fixtures for other Group companies as part of our backward integration strategy, in addition to fan regulators & switches for third party customers.

### Based on the Restated Consolidated Financial Information

Set forth below is a breakdown of our revenue from operations for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020 as per the Restated Consolidated Financial Information.

Particulars	As at, and for the nine-month period ended, December 31, 2022		As at, and for the fiscal year ended, March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Revenue from operations:								
Sale of product	2,407.21	100.00	2,198.95	100.00	1,596.63	100.00	1,406.48	100.00
Total revenue from operations	2,407.21	100.00	2,198.95	100.00	1,596.63	100.00	1,406.48	100.00

For management’s purposes, our Company’s business is considered to constitute one reporting segment. See “Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 42 – Segment reporting” on page 298.

Set forth below is a breakdown of our revenue from operations on a restated basis, broken down by product category and as a percentage of revenue from operations for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,197.10	91.27	2,014.02	91.59	1,504.83	94.25	1,348.16	95.85
ABS Pipes	0.00	0.00	19.86	0.90	-	0.00	-	0.00
Refrigerator Lights	47.28	1.96	-	-	-	-	-	-
Others	162.83	6.76	165.07	7.51	91.80	5.75	58.32	4.15
Total revenue from operations	2,407.21	100.00	2,198.95	100.00	1,596.63	100.00	1,406.48	100.00

### Based on our Proforma Consolidated Financial Information

Set forth below is a breakdown of our revenue from operations for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 as per the Proforma Consolidated Financial Information.

Particulars	As at, and for the nine-month period ended, December 31, 2022		As at, and for the fiscal year ended, March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Revenue from operations:								
Sale of product	3,286.27	100.00	3,318.40	100.00	2,134.46	99.96	2,202.47	100.00
Total revenue from operations	3,286.27	100.00	3,318.40	100.00	2,134.46	100.00	2,202.47	100.00

For management's purposes, our Company's business is considered to constitute one reporting segment. See "Proforma Consolidated Financial Information – Notes to Proforma Consolidated Financial Information – Note 42 – Segment reporting" on page 298.

Set forth below is a breakdown of our revenue from operations on a proforma consolidated basis, broken down by product category and as a percentage of revenue from operations for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020.

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
LED Lighting	2,827.82	86.05	2,879.76	86.78	1,862.50	87.26	1,876.82	85.21
ABS Pipes	99.04	3.01	50.88	1.53	-	-	-	-
Refrigerator Lights	107.03	3.26	133.48	4.02	82.56	3.87	134.33	6.10
Others	252.38	7.68	254.28	7.66	189.40	8.87	191.32	8.69
Total revenue from operations	3,286.27	100.00	3,318.40	100.00	2,134.46	100.00	2,202.47	100.00

### Other Income

Other income primarily comprises of recurring non-operating income, such as interest income and insurance claims, and non-recurring income such as net gain on foreign currency transactions and translation and profit on sale of property, plant & equipment (net).

### Expenses

Total expenses comprise of cost of materials consumed, changes in inventories, employee benefits expense, finance costs, depreciation and amortisation expenses and other expenses.

**Cost of Materials Consumed and Changes in Inventories.** Cost of materials consumed comprises costs incurred in connection with consumption of various kinds of raw materials required for manufacturing our products, and includes all direct costs incurred in the course of such procurement, such as customs duties, freight and clearing and forwarding charges, for the reporting period. Changes in inventories comprises of the difference in closing stock balance vis-à-vis opening stock balance of finished products and work-in-progress.

**Employee Benefits Expenses.** Employee benefits expenses comprises of salaries & wages, bonus & other allowances, director's remuneration, contribution to provident and other funds, staff welfare expenses, expenses related to post-employment defined benefit plans, and expenses related to compensated absences.

**Finance Cost.** Finance cost comprises interest on borrowings, other borrowing costs and interest on lease liabilities.

**Depreciation and Amortisation Expenses.** Depreciation and amortisation expenses comprises of depreciation on property, plant and equipment and intangible assets, and amortization of right-of-use assets.

**Other Expenses.** Other expenses primarily comprise of manufacturing, legal & professional charges, electricity charges, repairs & maintenance, tour & travel expenses, corporate social responsibility expenses, lab testing & research & development, and other general expenses.

### Based on the Restated Consolidated Financial Information

Set forth below is a breakdown of our total expenses as percentage of our revenue from operations for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Restated Consolidated Financial Information.

Particulars	As at, and for the nine-month period ended, December 31, 2022		As at, and for the fiscal year ended, March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Expenses:								
Cost of materials consumed	1,586.71	65.91	1,523.50	69.28	1,052.30	65.91	954.01	67.83
Changes in inventories	(9.13)	(0.38)	(68.06)	(3.10)	7.32	0.46	(10.38)	(0.74)
Employee benefits expenses	206.30	8.57	263.82	12.00	194.40	12.18	162.32	11.54
Finance costs	27.01	1.12	5.34	0.24	5.61	0.35	20.92	1.49
Depreciation and amortisation expenses	30.84	1.28	24.47	1.11	24.60	1.54	22.44	1.60
Other expenses	124.91	5.19	78.19	3.56	39.79	2.49	37.17	2.64
Total expenses	1,966.64	81.70	1,827.26	83.10	1,324.02	82.93	1,186.47	84.36

### Based on the Proforma Consolidated Financial Information

Set forth below is a breakdown of our total expenses as percentage of our revenue from operations for the nine-month period ended December 31, 2022, and Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Proforma Consolidated Financial Information.

Particulars	As at, and for the nine-month period ended, December 31, 2022		As at, and for the fiscal year ended, March 31,					
			2022		2021		2020	
	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
Expenses:								
Cost of materials consumed	2,091.53	63.64	2,096.34	63.17	1,213.83	56.87	1,392.39	63.22
Changes in inventories	(69.88)	(2.13)	(174.23)	(5.25)	(9.70)	(0.45)	(0.21)	(0.01)
Employee benefits expenses	291.58	8.87	422.84	12.74	293.94	13.77	286.79	13.02
Finance costs	46.70	1.42	49.18	1.48	43.70	2.05	46.39	2.11
Depreciation and amortisation expenses	42.80	1.30	50.81	1.53	46.85	2.19	40.73	1.85
Other expenses	238.99	7.27	200.31	6.04	158.29	7.42	150.43	6.83
Total expenses	2,641.73	80.39	2,645.25	79.71	1,746.91	81.84	1,916.52	87.02

### Tax Expense

Our tax expenses represent the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Tax expenses for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 amounted to ₹119.32 million, ₹99.83 million, ₹70.57 million and ₹60.92 million, respectively, as per the Restated Consolidated Financial Information.

Tax expenses for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, Fiscal 2020 amounted to ₹172.73 million, ₹189.54 million, ₹110.75 million and ₹87.69 million, respectively, as per the Proforma Consolidated Financial Information.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

## Operating Segment

For the periods reported in this RHP, our Company has been primarily engaged in the business of manufacturing of LED lighting and attendant components. As such, in accordance with Ind AS, our Company's business is considered to constitute one reportable segment. The CODM will assess the reportable segments as the revenue contribution of some of the non-LED lighting segments we operate in start increasing.

## Geographic information

Our Company operates primarily in a single geographic location (i.e., India). Accordingly, there are no separate reportable geographical segments.

## Based on the Restated Consolidated Financial Information

The following table shows the distribution of our geographical revenue from operations broken down by location of customers for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Restated Consolidated Financial Information.

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
	Amount (₹ in millions)	(% of Revenue from Operations)	2022		2021		2020	
			Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
India (domestic sales)	2,247.31	93.36	2,174.45	98.89	1,590.07	99.59	1,405.80	99.95
International	159.90	6.64	24.50	1.11	6.56	0.41	0.68	0.05
Total revenue from operations	2,407.21	100.00	2,198.95	100.00	1,596.63	100.00	1,406.48	100.00

## Based on the Proforma Consolidated Financial Information

The following table shows the distribution of our geographical revenue from operations broken down by location of customers for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, as per the Proforma Consolidated Financial Information.

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
	Amount (₹ in millions)	(% of Revenue from Operations)	2022		2021		2020	
			Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)	Amount (₹ in millions)	(% of Revenue from Operations)
India (domestic sales)	2,793.17	85.00	2,966.43	89.39	2,047.51	95.93	2,111.83	95.88
International	493.10	15.00	351.97	10.61	86.95	4.07	90.64	4.12
Total revenue from operations	3,286.27	100.00	3,318.40	100.00	2,134.46	100.00	2,202.47	100.00

## Results of Operations based on the Restated Consolidated Financial Information

The following table sets forth select financial information based on the Restated Consolidated Financial Information for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, the components of which are also expressed as a percentage of total income for such Fiscal Years/fiscal period:

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
	(₹ in millions)	(% of Total Income)	2022 (₹ in millions)	2021 (% of Total Income)	2020 (₹ in millions)	2020 (% of Total Income)	2020 (₹ in millions)	2020 (% of Total Income)
<b>Income:</b>								
Revenue from operations	2,407.21	98.99	2,198.95	99.63	1,596.63	99.76	1,406.48	99.94
Other income	24.57	1.01	8.24	0.37	3.76	0.24	0.84	0.06
<b>Total Income</b>	<b>2,431.78</b>	<b>100.00</b>	<b>2,207.19</b>	<b>100.00</b>	<b>1,600.39</b>	<b>100.00</b>	<b>1,407.32</b>	<b>100.00</b>
<b>Expenses:</b>								
Cost of materials consumed	1,586.71	65.25	1,523.50	69.02	1,052.30	65.75	954.01	67.79
Changes in inventories	(9.13)	(0.38)	(68.06)	(3.08)	7.32	0.46	(10.39)	(0.74)
Employee benefits expenses	206.30	8.48	263.82	11.95	194.40	12.15	162.32	11.53
Finance costs	27.01	1.11	5.34	0.24	5.61	0.35	20.92	1.49
Depreciation and amortisation expenses	30.84	1.27	24.47	1.11	24.60	1.54	22.44	1.59
Other expenses	124.91	5.14	78.19	3.54	39.79	2.49	37.17	2.64
<b>Total Expenses</b>	<b>1,966.64</b>	<b>80.87</b>	<b>1,827.26</b>	<b>82.79</b>	<b>1,324.02</b>	<b>82.73</b>	<b>1,186.47</b>	<b>84.31</b>
<b>Profit before tax</b>	<b>465.14</b>	<b>19.13</b>	<b>379.93</b>	<b>17.21</b>	<b>276.37</b>	<b>17.27</b>	<b>220.85</b>	<b>15.69</b>
<b>Tax expenses:</b>								
Current tax	118.57	4.88	99.11	4.49	73.58	4.60	60.50	4.30
Deferred tax	0.81	0.03	(0.42)	(0.02)	(3.01)	(0.19)	(2.20)	(0.16)
Related to earlier years	(0.06)	0.00	1.14	0.05	-	-	2.62	0.19
<b>Total tax expenses</b>	<b>119.32</b>	<b>4.91</b>	<b>99.83</b>	<b>4.52</b>	<b>70.57</b>	<b>4.41</b>	<b>60.92</b>	<b>4.33</b>
<b>Profit after tax</b>	<b>345.82</b>	<b>14.22</b>	<b>280.10</b>	<b>12.69</b>	<b>205.80</b>	<b>12.86</b>	<b>159.93</b>	<b>11.36</b>
<b>Other comprehensive income:</b>								
Remeasurement of the defined benefit plans	1.00	0.04	1.53	0.07	1.13	0.07	(0.04)	0.00
Income tax on the above	(0.32)	(0.01)	(0.38)	(0.02)	(0.29)	(0.02)	-	-
Other comprehensive income for the year/period, net of tax	0.68	0.03	1.15	0.05	0.84	0.05	(0.04)	0.00
<b>Total comprehensive income for the year/period</b>	<b>346.50</b>	<b>14.25</b>	<b>281.25</b>	<b>12.74</b>	<b>206.64</b>	<b>12.91</b>	<b>159.89</b>	<b>11.36</b>

## Results of operations for the nine-month period ended December 31, 2022

Our results of operations for the nine-month period ended December 31, 2022 were affected by the following key factors:

We acquired 100% of the outstanding share capital in FTIPL and ISPL, which became our Subsidiaries with effect from September 12, 2022. FTIPL, in turn, owns 100% of the outstanding share capital of RLPL and REPL. Accordingly, our results of operations for the nine-month period ended December 31, 2022 include the results of the acquired Subsidiaries only for the period from September 12, 2022 to December 31, 2022.

We experienced continued growth in LED Lights with sales of LED Rechargeable Bulbs, LED Spot Lights, LED Downlights and LED Strip Lights reaching ₹526.93 million, ₹403.94 million, ₹326.00 million and ₹320.08 million, respectively, in the nine-month period ended December 31, 2022.

## Income

Our total income on a restated basis was ₹2,431.78 million for the nine-month period ended December 31, 2022, comprising revenue from operations and other income.

**Revenue from Operations.** Our revenue from operations on a restated basis was ₹2,407.21 million for the nine-month period ended December 31, 2022, comprising the revenue from the sale of products (representing 100.00% of our revenue from operations).

**Other income.** Our other income on a restated basis was ₹24.57 million for the nine-month period ended December 31, 2022, primarily consisting of net gain on foreign currency transactions and translation of ₹16.60 million and provisions no longer required written back of ₹7.06 million.

## Expenses

**Cost of Goods Sold.** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories, on a restated basis, was ₹1,577.58 million for the nine-month period ended December 31, 2022. Our Cost of Goods Sold for the nine-month period ended December 31, 2022 represented 64.87% of our total income for the period on a restated basis.

**Employee benefits expenses.** Employee benefits expenses on a restated basis was ₹206.30 million for the nine-month period ended December 31, 2022, primarily consisting of salaries & wages, bonus & other allowances of ₹157.14 million, directors remuneration of ₹29.00 million and contribution to provident and other funds of ₹12.17 million. We had an average of 1,281 permanent employees on the roll during the nine-month period ended December 31, 2022.

**Finance costs.** Our finance costs on a restated basis was ₹27.01 million for the nine-month period ended December 31, 2022, primarily consisting of interest on borrowings of ₹13.44 million and other borrowing costs of ₹8.56 million. As at December 31, 2022, our working capital loans outstanding was ₹874.84 million.

**Depreciation and amortisation expenses.** Our depreciation and amortisation expenses on a restated basis was ₹30.84 million for the nine-month period ended December 31, 2022. See Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 3 – Property, Plant and Equipment” on page 273.

**Other expenses.** Our other expenses on a restated basis was ₹124.91 million for the nine-month period ended December 31, 2022, primarily consisting of electricity charges of ₹18.68 million, freight & cartage outward of ₹12.39 million, legal & professional charges of ₹11.83 million, repairs & maintenance of ₹7.94 million and other miscellaneous expenses of ₹15.71 million.

**Profit before tax.** As a result of the foregoing, our profit before tax on a restated basis was ₹465.14 million for the nine-month period ended December 31, 2022.

**Tax expenses.** Our total tax expenses on a restated basis was ₹119.32 million for the nine-month period ended December 31, 2022, which represented 25.65% of profit before tax of ₹465.14 million for the period.

**Profit after tax.** Our profit after tax on a restated basis was ₹345.82 million for the nine-month period ended December 31, 2022.

**Other comprehensive income for the period, net of tax.** Other comprehensive income, net of tax, was ₹0.68 million for the nine-month period ended December 31, 2022. In the nine-month period ended December 31, 2022, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹1.00 million, less an income tax related to such remeasurement of ₹0.32 million.

**Total comprehensive income for the period.** As a result of the foregoing, our total comprehensive income for the period on a restated basis was ₹346.50 million for the nine-month period ended December 31, 2022.

## Fiscal 2022 compared to Fiscal 2021

(₹ in millions, except percentages)

	Fiscal 2022	Fiscal 2021	Change (%)
Income:			

	Fiscal 2022	Fiscal 2021	Change (%)
Revenue from operations	2,198.95	1,596.63	37.72
Other income	8.24	3.76	119.15
Total Income	2,207.19	1,600.39	37.92
Expenses:			
Cost of Goods Sold (=A+B)	1,455.44	1,059.62	37.35
Cost of materials consumed (A)	1,523.50	1,052.30	44.78
Changes in inventories (B)	(68.06)	7.32	(1,029.78)
Employee benefits expenses	263.82	194.40	35.71
Finance costs	5.34	5.61	(4.81)
Depreciation and amortisation expense	24.47	24.60	(0.53)
Other expenses	78.19	39.79	96.51
Total Expenses	1,827.26	1,324.02	38.01
Profit before tax	379.93	276.37	37.47
Tax expenses:			
Current tax	99.11	73.58	34.70
Deferred tax	(0.42)	(3.01)	(86.05)
Related to earlier years	1.14	-	N/A
Total tax expenses	99.83	70.57	41.46
Profit after tax	280.10	205.80	36.10
Other comprehensive income for the year:			
Remeasurement of the defined benefit plans	1.53	1.13	35.40
Income tax on the above	(0.38)	(0.29)	31.03
Other comprehensive income for the year, net of tax	1.15	0.84	36.90
Total comprehensive income for the year	281.25	206.64	36.11

**Our results of operations for Fiscal 2022 were affected by the following key factors:**

- Revenue from operations increased by 37.72% to ₹2,198.95 million in Fiscal 2022, which is largely attributable to a surge in demand following the easing of COVID-19 restrictions and the resumption of normal business growth in terms of revenue, which resulted in higher sales volume of LED lights, and the introduction of ABS pipes for export; and
- We experienced sharp increases in sales of LED Strip Lights, LED Spot Lights and LED Downlights in Fiscal 2022.

**Income**

Our total income on a restated basis increased by 37.92% to ₹2,207.19 million for Fiscal 2022 from ₹1,600.39 million for Fiscal 2021, primarily due to a 37.72% increase in revenue from operations.

**Revenue from Operations.** Our revenue from operations on a restated basis increased by 37.72% to ₹2,198.95 million for Fiscal 2022 from ₹1,596.63 million for Fiscal 2021. This increase can be primarily attributed to 69.65%, 43.62% and 34.72% increases in revenue from sales of LED Strip Lights, LED Spot Lights and LED Downlights, respectively.

**Other income.** Our other income increased by 119.15% to ₹8.24 million for Fiscal 2022 from ₹3.76 million for Fiscal 2021, primarily due to a net gain on foreign currency transactions and translation in the amount of ₹7.19 million for Fiscal 2022 as compared to ₹3.29 million for Fiscal 2021.

**Expenses**

**Cost of Goods Sold.** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories, on a restated basis, increased by 37.35% to ₹1,455.44 million for Fiscal 2022 from ₹1,059.62 million for Fiscal 2021. The increase in our Cost of Goods Sold was in line with the growth in our revenue from operations (37.72%).

**Employee benefits expenses.** Employee benefits expenses on a restated basis increased by 35.71% to ₹263.82 million for Fiscal 2022 from ₹194.40 million for Fiscal 2021. This increase was primarily due to a 53.14% increase in salaries & wages, bonus & other allowances to ₹113.11 million for Fiscal 2022 from ₹73.86 million for Fiscal 2021 on account of new hirings in Fiscal 2022 in line with our business growth. We had an average of 602 and 450 permanent employees on the roll during Fiscal 2022 and Fiscal 2021, respectively.

**Finance costs.** Our finance costs on a restated basis decreased by 4.81% to ₹5.34 million for Fiscal 2022 from ₹5.61 million for Fiscal 2021. This decrease in finance costs was primarily due to an 12.24% decrease in interest on borrowings to ₹4.73 million for Fiscal 2022 from ₹5.39 million for Fiscal 2021 on account of interest rate reductions during Fiscal 2022 as compared to Fiscal 2021. As at March 31, 2022, our working capital loans outstanding was ₹147.22 million as compared to ₹28.72 million as at March 31, 2021.

**Depreciation and amortisation expenses.** Our depreciation and amortisation expenses on a restated basis decreased by 0.53% to ₹24.47 million for Fiscal 2022 from ₹24.60 million for Fiscal 2021. See Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 3 – Property, Plant and Equipment” on page 273.

**Other expenses.** Our other expenses on a restated basis increased by 96.51% to ₹78.19 million for Fiscal 2022 from ₹39.79 million for Fiscal 2021, primarily due to (i) an increase in rates & taxes to ₹9.72 million for Fiscal 2022 from ₹0.18 million for Fiscal 2021, as a result of fees paid for increase in authorized share capital, (ii) a 61.61% increase in legal & professional charges to ₹13.85 million for Fiscal 2022 from ₹8.57 million for Fiscal 2021 as a result of the hiring of professional services to oversee business expansion and digitalization of records, (iii) a 40.02% increase in electricity charges to ₹12.70 million for Fiscal 2022 from ₹9.07 million for Fiscal 2021, as a result of higher power consumption due to an increase in production cycles to cater to the surge in product demand, and (iii) a 64.54% increase in repairs & maintenance to ₹7.75 million for Fiscal 2022 from ₹4.71 million for Fiscal 2021 as a result of an increase in running of machines and maintenance thereof to meet the surge in product demand.

**Profit before tax.** As a result of the foregoing, our profit before tax on a restated basis increased by 37.47% to ₹379.93 million for Fiscal 2022 as compared to ₹276.37 million for Fiscal 2021, which was in line with the growth in our revenue from operations (37.72%).

**Tax expenses.** Our total tax expenses on a restated basis increased by 41.46% to ₹99.83 million for Fiscal 2022 from ₹70.57 million for Fiscal 2021. The increase in our tax expenses for Fiscal 2022 was primarily attributable to a 34.70% increase in current tax to ₹99.11 million in Fiscal 2022 from ₹73.58 million in Fiscal 2021 and an 86.05% decrease in deferred tax credit to ₹(0.42) million in Fiscal 2022 from ₹(3.01) million in Fiscal 2021. Total tax expenses of ₹99.83 million in Fiscal 2022 is 26.28% of profit before tax of ₹379.93 million in Fiscal 2022 as compared to total tax expenses of ₹70.57 million in Fiscal 2021 is 25.53% of profit before tax of ₹276.37 million in Fiscal 2021. On a percentage basis, total tax expenses remained relatively stable.

**Profit after tax.** Our profit after tax on a restated basis increased by 36.10% to ₹280.10 million for Fiscal 2022 from ₹205.80 million for Fiscal 2021.

**Other comprehensive income for the year, net of tax.** Other comprehensive income for the year, net of tax, increased by 36.90% to ₹1.15 million in Fiscal 2022 from ₹0.84 million in Fiscal 2021. In Fiscal 2022, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹1.53 million, less an income tax related to such remeasurement of ₹0.38 million. In Fiscal 2021, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹1.13 million, less an income tax related to such remeasurement of ₹0.29 million.

**Total comprehensive income for the year.** As a result of the foregoing, our total comprehensive income for the year on a restated basis increased by 36.11% to ₹281.25 million for Fiscal 2022 from ₹206.64 million for Fiscal 2021.

#### Fiscal 2021 compared to Fiscal 2020

(₹ in millions, except percentages)

	Fiscal 2021	Fiscal 2020	Change (%)
Income:			
Revenue from operations	1,596.63	1,406.48	13.52
Other income	3.76	0.84	347.62
Total Income	1,600.39	1,407.32	13.72
Expenses:			
Cost of Goods Sold (=A+B)	1,059.62	943.63	12.29
Cost of materials consumed (A)	1,052.30	954.01	10.30
Changes in inventories (B)	7.32	(10.39)	(170.52)
Employee benefits expenses	194.40	162.32	19.76
Finance costs	5.61	20.92	(73.18)
Depreciation and amortisation expenses	24.60	22.44	9.63



	Fiscal 2021	Fiscal 2020	Change (%)
Other expenses	39.79	37.17	7.05
Total Expenses	1,324.02	1,186.47	11.59
Profit before tax	276.37	220.85	25.14
Tax expenses:			
Current tax	73.58	60.50	21.62
Deferred tax	(3.01)	(2.20)	36.82
Related to earlier years	-	2.62	(100.00)
Total tax expenses	70.57	60.92	15.84
Profit after tax	205.80	159.93	28.69
Other comprehensive income for the year:			
Remeasurement of the defined benefit plans	1.13	(0.04)	N/A
Income tax on the above	(0.29)	-	N/A
Other comprehensive income for the year, net of tax	0.84	(0.04)	N/A
Total comprehensive income for the year	206.64	159.89	29.24

**Our results of operations for Fiscal 2021 were affected by the following key factors:**

Despite the COVID-19 lockdowns in the first quarter of Fiscal 2021, our revenue from operations increased by 13.52% in Fiscal 2021 as compared to Fiscal 2020, which increase was largely attributable to increased demand for LED lights; and We experienced increases in demand for LED Strip Lights, LED Decorative lights, and LED rechargeable bulbs in Fiscal 2021.

**Income**

Our total income on a restated basis increased by 13.72% to ₹1,596.63 million for Fiscal 2021 from ₹1,406.48 million for Fiscal 2020, primarily due to a 13.52% increase in our revenue from operations.

**Revenue from Operations.** Our revenue from operations on a restated basis increased by 13.52% to ₹1,596.63 million for Fiscal 2021 from ₹1,406.48 million for Fiscal 2020. This increase can be primarily attributed to 32.41%, 24.64% and 11.61% increases in revenue from sales of LED Strip Lights, LED Decorative lights, and LED rechargeable bulbs, respectively.

**Other income.** Our other income on a restated basis increased to ₹3.76 million for Fiscal 2021 from ₹0.84 million for Fiscal 2020, primarily due to a net gain on foreign currency transactions and translation in the amount of ₹3.29 million for Fiscal 2021 as compared to ₹0.50 million for Fiscal 2020.

**Expenses**

**Cost of Goods Sold.** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories on a restated basis, increased by 12.29% to ₹1,059.62 million for Fiscal 2021 from ₹943.62 million for Fiscal 2020. The increase in our Cost of Goods Sold was largely in line with the growth in our revenue from operations (13.52%).

**Employee benefits expenses.** Employee benefits expenses on a restated basis increased by 19.76% to ₹194.40 million for Fiscal 2021 from ₹162.32 million for Fiscal 2020. This increase was primarily due to an 85.53% increase in director's remuneration to ₹106.68 million for Fiscal 2021 from ₹57.50 million in Fiscal 2020 due to their efforts in growth of business and exploring new product range, which was partially offset by a 19.94% decrease in salaries & wages, bonus & other allowances to ₹73.86 million for Fiscal 2021 from ₹92.26 million for Fiscal 2020 on account of the COVID-19 lockdowns during the first quarter of Fiscal 2021. We had an average of 533 and 450 permanent employees on the roll during Fiscal 2021 and Fiscal 2020, respectively.

**Finance costs.** Our finance costs on a restated basis decreased by 73.18% to ₹5.61 million for Fiscal 2021 from ₹20.92 million for Fiscal 2020. This decrease in finance costs was primarily due to a 98.41% decrease in other borrowing costs to ₹0.22 million for Fiscal 2021 from ₹13.83 million for Fiscal 2020 on account of the discontinuation of bill discounting.

**Depreciation and amortisation expenses.** Our depreciation and amortisation expenses on a restated basis increased by 9.63% to ₹24.60 million for Fiscal 2021 from ₹22.44 million for Fiscal 2020, primarily due to the addition of plant & machinery of ₹27.18 million in Fiscal 2021, as compared to the addition of ₹16.05 million in Fiscal 2020.

**Other expenses.** Our other expenses on a restated basis increased by 7.05% to ₹39.79 million for Fiscal 2021 from ₹37.17 million for Fiscal 2020, primarily due to a (i) 83.12% increase in legal & professional charges to ₹8.57 million for Fiscal 2021 from ₹4.68 million for Fiscal 2020 as a result of hiring of professionals for IT services and digitalization of records, and (ii) a loss on sale of property, plant & equipment of ₹1.98 million recorded in Fiscal 2021. Such increases were partially offset by a decrease in communication expenses to ₹0.44 million in Fiscal 2021 from ₹6.96 million in Fiscal 2020.

**Profit before tax.** As a result of the foregoing, our profit before tax on a restated basis increased by 25.14% to ₹276.37 million for Fiscal 2021 from ₹220.85 million for Fiscal 2020.

**Tax expenses.** Our total tax expenses on a restated basis increased by 15.84% to ₹70.57 million for Fiscal 2021 from ₹60.92 million for Fiscal 2020. The increase in our tax expenses for Fiscal 2021 was primarily attributable to an increase in current tax by 21.62% to ₹73.58 million in Fiscal 2021 from ₹60.50 million in Fiscal 2020, which was largely in line with the increase in our profit before tax (25.14%).

**Profit after tax.** Our profit after tax on a restated basis increased by 28.69% to ₹205.80 million for Fiscal 2021 from ₹159.91 million for Fiscal 2020.

**Other comprehensive income for the year, net of tax.** Other comprehensive income for the year, net of tax, decreased to ₹0.84 million in Fiscal 2021 from ₹(0.04) million in Fiscal 2020. In Fiscal 2021, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹1.13 million, less an income tax related to such remeasurement of ₹0.29 million. In Fiscal 2020, other comprehensive gain comprised of a remeasurement loss on defined benefit plans of ₹0.04 million.

**Total comprehensive income for the year.** As a result of the foregoing, our total comprehensive income for the year on a restated basis increased by 29.25% to ₹206.64 million for Fiscal 2021 from ₹159.89 million for Fiscal 2020.

## Results of Operations based on the Proforma Consolidated Financial Information

The following table sets forth select financial information based on the Proforma Consolidated Financial Information for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, the components of which are also expressed as a percentage of total income for such Fiscals/fiscal period:

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)
Income:								
Revenue from operations	3,286.27	98.75	3,318.40	99.35	2,134.46	99.48	2,202.47	99.29
Other income	41.65	1.25	21.55	0.65	11.26	0.52	15.81	0.71
Total Income	3,327.92	100.00	3,339.95	100.00	2,145.72	100.00	2,218.28	100.00
Expenses:								
Cost of materials consumed	2,091.53	62.85	2,096.34	62.77	1,213.83	56.57	1,392.39	62.77
Changes in inventories	(69.88)	(2.10)	(174.23)	(5.22)	(9.70)	(0.45)	(0.21)	(0.01)
Employee benefits expenses	291.58	8.76	422.84	12.66	293.94	13.70	286.79	12.93
Finance costs	46.70	1.40	49.18	1.47	43.70	2.04	46.39	2.09
Depreciation and amortisation expenses	42.80	1.29	50.81	1.52	46.85	2.18	40.73	1.84
Other expenses	238.99	7.18	200.31	6.00	158.29	7.38	150.43	6.78
Total Expenses	2,641.72	79.38	2,645.25	79.20	1,746.91	81.41	1,916.52	86.40
Profit before tax	686.19	20.62	694.70	20.80	398.81	18.59	301.76	13.60
Tax expenses:								
Current tax	162.59	4.89	187.92	5.63	120.92	5.64	92.81	4.18
Deferred tax	10.04	0.30	(0.14)	(0.00)	(10.17)	(0.47)	(7.76)	(0.35)
Related to earlier years	0.10	0.00	1.76	0.05	-	-	2.64	0.12
Total tax expenses	172.73	5.19	189.54	5.67	110.75	5.16	87.69	3.95
Profit after tax	513.47	15.43	505.16	15.12	288.06	13.42	214.07	9.65

Particulars	Nine-month period ended December 31, 2022		Fiscal Year Ended March 31,					
			2022		2021		2020	
	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)	(₹ in millions)	(% of Total Income)
Other comprehensive income:								
Remeasurement of the defined benefit plans	1.25	0.04	3.13	0.09	3.54	0.16	(0.28)	(0.01)
Income tax on the above	(0.39)	(0.01)	(0.80)	(0.02)	(1.01)	(0.05)	0.08	0.00
Other comprehensive income for the year/period, net of tax	0.86	0.03	2.33	0.07	2.53	0.12	(0.20)	(0.01)
Total comprehensive income for the year/period	514.33	15.45	507.49	15.19	290.59	13.54	213.87	9.64

#### ***Nine-month period ended December 31, 2022***

##### **Income**

Our total income on a proforma consolidated basis was ₹3,327.92 million for the nine-month period ended December 31, 2022, comprising revenue from operations and other income.

***Revenue from Operations.*** Our revenue from operations on a proforma consolidated basis was ₹3,286.27 million for the nine-month period ended December 31, 2022, comprising the revenue from the sale of products (representing 100.00% of our revenue from operations).

***Other income.*** Our other income on a proforma consolidated basis was ₹41.65 million for the nine-month period ended December 31, 2022, primarily consisting of net gain on foreign currency transactions and translation of ₹31.90 million and provisions no longer required written back of ₹6.96 million.

##### **Expenses**

***Cost of Goods Sold.*** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories, on a proforma consolidated basis, was ₹2,021.65 million for the nine-month period ended December 31, 2022. Our Cost of Goods Sold for the nine-month period ended December 31, 2022 represented 60.75% of our total income for the period on a proforma consolidated basis.

***Employee benefits expenses.*** Employee benefits expenses on a proforma consolidated basis was ₹291.58 million for the nine-month period ended December 31, 2022, primarily consisting of salaries & wages, bonus & other allowances of ₹229.39 million, director's remuneration of ₹34.11 million and contribution to provident and other funds of ₹17.20 million.

***Finance costs.*** Our finance costs on a proforma consolidated basis was ₹46.70 million for the nine-month period ended December 31, 2022, primarily consisting of interest on borrowings of ₹26.10 million and other borrowing costs of ₹11.65 million.

***Depreciation and amortisation expenses.*** Our depreciation and amortisation expenses on a proforma consolidated basis was ₹42.80 million for the nine-month period ended December 31, 2022. See Proforma Financial Information – Notes to Proforma Financial Information – Note 3 – Property, Plant and Equipment” on page 273.

***Other expenses.*** Our other expenses on a proforma consolidated basis was ₹238.99 million for the nine-month period ended December 31, 2022, primarily consisting of freight & cartage outward of ₹55.21 million, electricity charges of ₹31.12 million, legal & professional charges of ₹21.66 million, repairs & maintenance of ₹13.72 million, rent of ₹11.73 million, tour & travel expenses of ₹11.68 million and other miscellaneous expenses of ₹17.81 million.

***Profit before tax.*** As a result of the foregoing, our profit before tax on a proforma consolidated basis was ₹686.20 million for the nine-month period ended December 31, 2022.

**Tax expenses.** Our total tax expenses on a proforma consolidated basis was ₹172.73 million for the nine-month period ended December 31, 2022, which represented 25.17% of profit before tax of ₹686.20 million for the period.

**Profit after tax.** Our profit after tax on a proforma consolidated basis was ₹513.47 million for the nine-month period ended December 31, 2022.

**Other comprehensive income for the period, net of tax.** Other comprehensive income, net of tax, was ₹0.86 million for the nine-month period ended December 31, 2022. In the nine-month period ended December 31, 2022, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹1.25 million, less an income tax related to such remeasurement of ₹0.39 million.

**Total comprehensive income for the period.** As a result of the foregoing, our total comprehensive income for the period on a proforma consolidated basis was ₹514.33 million for the nine-month period ended December 31, 2022.

#### Fiscal 2022 compared to Fiscal 2021

(₹ in millions, except percentages)

	Fiscal 2022	Fiscal 2021	Change (%)
Income:			
Revenue from operations	3,318.40	2,134.46	55.47
Other income	21.55	11.26	91.39
Total Income	3,339.95	2,145.72	55.66
Expenses:			
Cost of Goods Sold (=A+B)	1,922.11	1,204.13	59.63
Cost of materials consumed (A)	2,096.34	1,213.83	72.70
Changes in inventories (B)	(174.23)	(9.70)	1,696.19
Employee benefits expenses	422.84	293.94	43.85
Finance costs	49.18	43.70	12.54
Depreciation and amortisation expense	50.81	46.85	8.45
Other expenses	200.31	158.29	26.55
Total Expenses	2,645.25	1,746.91	51.42
Profit before tax	694.70	398.81	74.19
Tax expenses:			
Current tax	187.92	120.92	55.41
Deferred tax	(0.14)	(10.17)	(98.62)
Related to earlier years	1.76	-	N/A
Total tax expenses	189.54	110.75	71.14
Profit after tax	505.16	288.06	75.37
Other comprehensive income for the year:			
Remeasurement of the defined benefit plans	3.13	3.54	(11.58)
Income tax on the above	(0.80)	(1.01)	(20.79)
Other comprehensive income for the year, net of tax	2.33	2.53	(7.91)
Total comprehensive income for the year	507.49	290.59	74.64

#### Our results of operations for Fiscal 2022 were affected by the following key factors:

- Revenue from operations on a proforma consolidated basis increased by 55.47% to ₹3,318.40 million in Fiscal 2022, which is largely attributable to the increase in demand cycle across all divisions following the easing of the COVID-19 restrictions and the introduction of ABS pipes for export.
- We experienced a 304.79% increase in revenue from export sales outside India on a proforma consolidated basis in Fiscal 2022 to ₹351.97 million in Fiscal 2022, as we added a new product line for recreational vehicles in the export division, a 103.54% increase in revenue from operations from our Refrigeration and LED Driver division and a 37.72% increase in revenue from operations from our LED Lighting division; and
- We have recorded higher order bookings of ₹862.13 million as at March 31, 2022, with major orders coming from Signify (Philips).

#### Income

Our total income on a proforma consolidated basis increased by 55.66% to ₹3,339.95 million for Fiscal 2022 from ₹2,145.72 million for Fiscal 2021, primarily due to a 55.47% increase in revenue from operations.

**Revenue from Operations.** Our revenue from operations on a proforma consolidated basis increased by 55.47% to ₹3,318.40 million for Fiscal 2022 from ₹2,134.46 million for Fiscal 2021. This increase can be primarily attributed to a 50.84%, 60.84%, 123.76% and 35.93% increases in revenue from sales of LED Spot Lights, LED Strip Lights, LED Track Lights and LED Downlighters. Such sales growth is primarily due to the increase in demand cycle across all divisions and product lines following the easing of the COVID-19 restrictions and the addition of a new product line for recreational vehicles in the export division.

**Other income.** Our other income on a proforma consolidated basis increased by 91.39% to ₹21.55 million for Fiscal 2022 from ₹11.26 million for Fiscal 2021, primarily due to a net gain on foreign currency transactions and translation in the amount of ₹14.85 million for Fiscal 2022 as compared to ₹4.42 million for Fiscal 2021 attributable to the growth in revenue from export sales outside India.

## Expenses

**Cost of Goods Sold.** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories on a proforma consolidated basis, increased by 59.63% to ₹1,922.11 million for Fiscal 2022 from ₹1,204.13 million for Fiscal 2021. We experienced a marginal increase in transportation costs in Fiscal 2022, but the overall increase in our Cost of Goods Sold was generally in line with the growth in our revenue from operations (55.47%).

**Employee benefits expenses.** Employee benefits expenses on a proforma consolidated basis increased by 43.85% to ₹422.84 million for Fiscal 2022 from ₹293.94 million for Fiscal 2021. This increase was primarily due to a 58.80% increase in salaries & wages, bonus & other allowances to ₹245.61 million for Fiscal 2022 from ₹154.67 million for Fiscal 2021 on account of new hirings in Fiscal 2022 and a 19.10% increase in director's remuneration to ₹134.20 million for Fiscal 2022 from ₹112.68 million for Fiscal 2021 to accelerate business growth. Employee benefits expenses represented 12.74% and 13.77% of our total revenue from operations on a proforma consolidated basis for Fiscal 2022 and Fiscal 2021, respectively.

**Finance costs.** Our finance costs on a proforma consolidated basis increased by 12.54% to ₹49.18 million for Fiscal 2022 from ₹43.70 million for Fiscal 2021. This increase in finance costs was primarily due to a 7.27% increase in interest on borrowings to ₹36.46 million for Fiscal 2022 from ₹33.99 million for Fiscal 2021 on account of an increase in average borrowings to ₹879.60 million in Fiscal 2022 as compared to ₹581.10 million Fiscal 2021, which was partially offset by a reduction in interest rates in Fiscal 2022.

**Depreciation and amortisation expenses.** Our depreciation and amortisation expenses on a proforma consolidated basis increased by 8.45% to ₹50.81 million for Fiscal 2022 from ₹46.85 million for Fiscal 2021, primarily due to an increase in amortisation of right-of-use assets to ₹14.85 million in Fiscal 2022 from ₹11.55 million in Fiscal 2021 as a result of the addition of leasehold properties. See Proforma Consolidated Financial Information – Notes to Proforma Consolidated Financial Information – Note 3 – Property, Plant and Equipment” on page 273.

**Other expenses.** Our other expenses on a proforma consolidated basis increased by 26.55% to ₹200.31 million for Fiscal 2022 from ₹158.29 million for Fiscal 2021, primarily due to the increase in sales, production and overall scale-up of business operations and activities in Fiscal 2022. The increase in other expenses is mainly attributable to (i) a 52.50% increase in electricity charges to ₹30.50 million for Fiscal 2022 from ₹20.00 million for Fiscal 2021, (ii) a 371.96% increase in job work paid to ₹12.79 million for Fiscal 2022 from ₹2.71 million for Fiscal 2021, (iii) a 215.32% increase in rent to ₹14.41 million for Fiscal 2022 from ₹4.57 million for Fiscal 2021, (iv) a 713.08% increase in rates & taxes to ₹10.57 million for Fiscal 2022 from ₹1.30 million for Fiscal 2021, and (v) a 203.99% increase in tour & travel expenses to ₹10.67 million for Fiscal 2022 from ₹3.51 million for Fiscal 2021. Such increases were partially offset by the decreases in (1) bad debts to nil in Fiscal 2022 from ₹15.95 million in Fiscal 2021, and (2) provision for expected credit loss to ₹0.19 million in Fiscal 2022 from ₹12.62 million in Fiscal 2021.

**Profit before tax.** As a result of the foregoing, our profit before tax on a proforma consolidated basis increased by 74.19% to ₹694.70 million for Fiscal 2022 from ₹398.81 million for Fiscal 2021.

**Tax expenses.** Our total tax expenses on a proforma consolidated basis increased by 71.14% to ₹189.54 million for Fiscal 2022 from ₹110.75 million for Fiscal 2021. The increase in our tax expenses for Fiscal 2022 was primarily attributable to a 55.41% increase in current tax to ₹187.92 million in Fiscal 2022 from ₹120.92 million in Fiscal 2021 and a 98.62% decrease in deferred tax credit to ₹(0.14) million in Fiscal 2022 from ₹(10.17) million in Fiscal 2021. Total tax expenses of ₹189.54 million in Fiscal 2022 is 27.28% of profit before tax of ₹694.70 million in Fiscal 2022, while total tax expenses

of ₹110.75 million in Fiscal 2021 is 27.77% of profit before tax of ₹398.81 million in Fiscal 2021. On a percentage basis, total tax expenses remained relatively stable.

**Profit after tax.** Our profit after tax on a proforma consolidated basis increased by 75.37% to ₹505.16 million for Fiscal 2022 from ₹288.06 million for Fiscal 2021.

**Other comprehensive income for the year, net of tax.** Other comprehensive income for the year, net of tax, decreased by 7.91% to ₹2.33 million in Fiscal 2022 from ₹2.53 million in Fiscal 2021. In Fiscal 2022, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹3.13 million, less an income tax related to such remeasurement of ₹0.80 million. In Fiscal 2021, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹3.54 million, less an income tax related to such remeasurement of ₹1.01 million.

**Total comprehensive income for the year.** As a result of the foregoing, our total comprehensive income for the year on a proforma consolidated basis increased by 74.64% to ₹507.49 million for Fiscal 2022 from ₹290.59 million for Fiscal 2021.

#### Fiscal 2021 compared to Fiscal 2020

(₹ in millions, except percentages)

	Fiscal 2021	Fiscal 2020	Change (%)
Income:			
Revenue from operations	2,134.46	2,202.47	(3.09)
Other income	11.26	15.81	(28.78)
Total Income	2,145.72	2,218.28	(3.27)
Expenses:			
Cost of Goods Sold (=A+B)	1,204.13	1,392.18	(13.51)
Cost of materials consumed (A)	1,213.83	1,392.39	(12.81)
Changes in inventories (B)	(9.70)	(0.21)	N/A
Employee benefits expenses	293.94	286.79	2.49
Finance costs	43.70	46.39	(5.80)
Depreciation and amortisation expenses	46.85	40.73	15.03
Other expenses	158.29	150.43	5.23
Total Expenses	1,746.91	1,916.52	(8.85)
Profit before tax	398.81	301.76	32.16
Tax expenses:			
Current tax	120.92	92.81	30.29
Deferred tax	(10.17)	(7.76)	31.06
Related to earlier years	-	2.64	(100.00)
Total tax expenses	110.75	87.69	26.30
Profit after tax	288.06	214.07	34.56
Other comprehensive income for the year:			
Remeasurement of the defined benefit plans	3.54	(0.28)	N/A
Income tax on the above	(1.01)	0.08	N/A
Other comprehensive income for the year, net of tax	2.53	(0.20)	N/A
Total comprehensive income for the year	290.59	213.87	35.87

#### Our results of operations for Fiscal 2021 were affected by the following key factors:

- In Fiscal 2021, our revenue from operations on a proforma consolidated basis decreased by 3.09% as compared to Fiscal 2020, which is largely attributable to the effects of the national lockdown imposed by the Government in the first quarter of Fiscal 2021, which affected the demand cycle and supply chain; and
- We experienced an increase of 13.52% in revenue from operations from our LED Lighting division, which is primarily attributable to a 37.25% increase in revenue from sales of LED Strip Lights, a 33.89% increase in revenue from sales of decorative LED Lights and an 11.60% increase in revenue from sales of rechargeable bulbs. Such growth was partially offset by a decrease of (i) a 36.29% in revenue from operations from our refrigeration LED Light & Driver division and (ii) a 10.65% in revenue from operations from our Export division, due to COVID-19 lockdowns in first quarter of Fiscal 2021.

#### Income

Our total income on a proforma consolidated basis decreased by 3.27% to ₹2,145.72 million for Fiscal 2021 from ₹2,218.28 million for Fiscal 2020, primarily due to a 3.09% decrease in our revenue from operations.

**Revenue from Operations.** Our revenue from operations on a proforma consolidated basis decreased by 3.09% to ₹2,134.46 million for Fiscal 2021 from ₹2,202.47 million for Fiscal 2020. This decrease can be primarily attributed to the effects of the national lockdown imposed by the Government in the first quarter of Fiscal 2021, which affected the demand cycle and supply chain. Revenue from sales of LED Track Lights, refrigerator LED lights and LED Spot Lights decreased by 38.69%, 38.54% and 6.89%, respectively, in Fiscal 2021 as compared to Fiscal 2020, which were partially offset by increases in revenue from sales of LED Strip Lights, Rechargeable bulbs and decorative LED lights in Fiscal 2021 as compared to Fiscal 2020.

Revenue from sales of LED Strip Lights, Rechargeable bulbs and decorative LED lights increased by 37.25%, 11.60% and 33.89%, respectively, to ₹249.69 million, ₹395.96 million, and ₹139.10 million in Fiscal 2021, respectively, from ₹181.92 million, ₹354.79 million and ₹103.89 million in Fiscal 2020, respectively.

Revenue from export sales outside India on a proforma consolidated basis decreased by 4.08% to ₹86.95 million in Fiscal 2021 from ₹90.64 million in Fiscal 2020, primarily as a result of a decrease in export sales of LED Lights for recreational vehicles (RVs) to ₹80.39 million in Fiscal 2021 from ₹89.97 million in Fiscal 2020. As a percentage of revenue from operations on a proforma consolidated basis, revenue from export sales outside India represented 4.07% and 4.12% in Fiscal 2021 and Fiscal 2020, respectively.

**Other income.** Our other income on a proforma consolidated basis decreased by 28.78% to ₹11.26 million for Fiscal 2021 from ₹15.81 million for Fiscal 2020, primarily due to a net profit on sale of certain assets in the amount of ₹10.64 million realized in Fiscal 2020 that was not repeated in Fiscal 2021, which was partially offset by an increase in net gain on foreign currency transactions and translation to ₹4.42 million for Fiscal 2021 from ₹2.32 million for Fiscal 2020 and a provisions no longer required written back in the amount of ₹3.63 million in Fiscal 2021.

## Expenses

**Cost of Goods Sold.** Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed and changes in inventories on a proforma consolidated basis, decreased by 13.51% to ₹1,204.13 million for Fiscal 2021 from ₹1,392.18 million for Fiscal 2020. The rate of decrease in our Cost of Goods Sold was greater than the decrease in our revenue from operations (3.09%) due to a decrease in sales of lower margin products.

**Employee benefits expenses.** Employee benefits expenses on a proforma consolidated basis increased by 2.49% to ₹293.94 million for Fiscal 2021 from ₹286.79 million for Fiscal 2020. This increase was primarily due to a 67.93% increase in director's remuneration to ₹112.68 million for Fiscal 2021 from ₹67.10 million in Fiscal 2020 due to their efforts in growing the business and exploring new product ranges, which was partially offset by a 20.19% decrease in salaries & wages, bonus & other allowances to ₹154.67 million for Fiscal 2021 from ₹193.79 million for Fiscal 2020 on account of a lower turnout of employees immediately after the release of COVID-19 lockdown restrictions.

**Finance costs.** Our finance costs on a proforma consolidated basis decreased by 5.80% to ₹43.70 million for Fiscal 2021 from ₹46.39 million for Fiscal 2020. This decrease in finance costs was primarily due to a 97.38% decrease in other borrowing costs (bill discounting) to ₹0.37 million for Fiscal 2021 from ₹14.14 million for Fiscal 2020 on account of the discontinuation of bill discounting, which was partially offset by a 195.57% increase in lease liabilities to ₹9.34 million in Fiscal 2021 from ₹3.16 million in Fiscal 2020 and a 16.84% increase in interest on borrowing to ₹33.99 million in Fiscal 2021 from ₹29.09 million in Fiscal 2020. The increase in interest on borrowing was the net result of an increased usage of credit facilities in our export division to finance the working capital cycle.

**Depreciation and amortisation expenses.** Our depreciation and amortisation expenses on a proforma consolidated basis increased by 15.03% to ₹46.85 million for Fiscal 2021 from ₹40.73 million for Fiscal 2020, primarily due to an increase in depreciation of tangible and intangible assets to ₹35.30 million in Fiscal 2021 from ₹33.27 million in Fiscal 2020, due to the net addition in gross block of ₹39.00 million, and an increase in amortisation of right-of-use assets to ₹11.55 million in Fiscal 2021 from ₹ 7.46 million in Fiscal 2020, due to addition of leasehold land. See Proforma Consolidated Financial Information – Notes to Proforma Consolidated Financial Information – Note 3 – Property, Plant and Equipment” on page 273.

**Other expenses.** Our other expenses on a proforma consolidated basis increased by 5.23% to ₹158.29 million for Fiscal 2021 from ₹150.43 million for Fiscal 2020, primarily due to (i) bad debts recognized in the amount of ₹15.95 million for Fiscal 2021 as compared to ₹0.13 million for Fiscal 2020 as a result of non-recoverability of debts due to owner's death,

and (ii) a provision for expected credit loss recognized in the amount of ₹12.62 million in Fiscal 2021 as a result of a new policy adopted. Such increases were partially offset by decreases in (1) tour & travel expenses to ₹3.51 million in Fiscal 2021 from ₹10.81 million in Fiscal 2020, and (2) communication expenses to ₹0.99 million in Fiscal 2021 from ₹7.36 million in Fiscal 2020.

**Profit before tax.** As a result of the foregoing, our profit before tax on a proforma consolidated basis increased by 32.16% to ₹398.81 million for Fiscal 2021 from ₹301.76 million for Fiscal 2020.

**Tax expenses.** Our total tax expenses on a proforma consolidated basis increased by 26.30% to ₹110.75 million for Fiscal 2021 from ₹87.69 million for Fiscal 2020. The increase in our tax expenses for Fiscal 2021 was primarily attributable to an increase in current tax to ₹120.92 million in Fiscal 2021 from ₹92.81 million in Fiscal 2020.

**Profit after tax.** Our profit after tax on a proforma consolidated basis increased by 34.56% to ₹288.06 million for Fiscal 2021 from ₹214.07 million for Fiscal 2020.

**Other comprehensive income/(loss) for the year, net of tax.** Other comprehensive income for the year, net of tax, was ₹2.53 million in Fiscal 2021 as compared to a loss, net of tax, of ₹(0.20) million in Fiscal 2020.

In Fiscal 2021, other comprehensive income comprised of a remeasurement gain on defined benefit plans of ₹3.54 million, less an income tax related to such remeasurement of ₹1.01 million.

In Fiscal 2020, other comprehensive loss comprised of a remeasurement loss on defined benefit plans of ₹(0.28) million against an income tax credit related to such remeasurement loss of ₹0.08 million.

**Total comprehensive income for the year.** As a result of the foregoing, our total comprehensive income for the year on a proforma consolidated basis increased by 35.87% to ₹290.59 million for Fiscal 2021 from ₹213.87 million for Fiscal 2020.

## Liquidity and Capital Resources

### Capital Requirements

Our principal capital requirements are for capital expenditure, working capital and payment of principal and interest on our borrowings. Our principal source of funding has been and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions. For the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements and other cash outlays, principally with funds generated from operations, optimization of operating working capital with the balance met from external borrowings, borrowings from banks, NBFCs and our Promoters.

### Liquidity

Historically, our primary liquidity and capital requirements have been to finance our working capital needs for our operations, capital expenditures for construction of new facilities and upgrading of existing facilities, and the repayment of borrowings and debt service obligations. We have met these requirements through cash flows from operations, short- and long-term borrowings from banks, overdraft facilities that are repayable on demand, cash and cash equivalents and equity and other financing provided by our promoters. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our present requirements.

As at December 31, 2022, we had ₹13.42 million in cash and cash equivalents and ₹731.93 million in trade receivables, as per the Restated Consolidated Financial Information. As at December 31, 2022, we had ₹13.42 million in cash and cash equivalents and ₹731.93 million in trade receivables, as per the Proforma Consolidated Financial Information. We believe that, after taking into account the expected cash to be generated from operations, we will have sufficient liquidity for our present requirements and anticipated requirements for working capital for 12 months following the date of this Red Herring Prospectus.

### Cash Flows

Based on the Restated Consolidated Financial Information

The following table summarizes our cash flows for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, as per the Restated Consolidated Financial Information:

(₹ in millions)



Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31,		
		2022	2021	2020
Net cash generated from/(used in) operating activities	195.42	(52.53)	(0.49)	132.10
Net cash (used in) investing activities	(410.70)	(45.56)	(29.89)	(38.78)
Net cash generated from/(used in) financing activities	197.79	102.66	(33.73)	(46.38)
Net increase/(decrease) in cash and cash equivalents	(17.47)	4.57	(64.11)	46.95
Cash and cash equivalents at the beginning of the year/period	30.89	1.93	66.04	19.09
Cash and cash equivalents at the end of the year/period	13.42	6.50	1.93	66.04

#### Cash flows generated from/(used in) operating activities

Net cash generated from operating activities on a restated basis was ₹195.43 million for the nine-month period ended December 31, 2022. While our net profit before tax on a restated basis was ₹465.14 million, we had operating profit before working capital changes of ₹519.80 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹30.85 million and finance cost of ₹27.01 million. Our working capital adjustments for the nine-month period ended December 31, 2022 primarily consisted of increases in other current assets of ₹(97.73) million, trade receivables of ₹(26.95) million and other current financial assets of ₹(18.93) million, and decreases in other current liabilities of ₹(43.16) million and trade payables of ₹(13.01) million. The increase in other current assets is primarily due to advance to suppliers. Our cash generated from operations was ₹361.51 million, adjusted by taxes and interest paid thereon of ₹(166.09) million.

Net cash used in operating activities on a restated basis was ₹(52.53) million for Fiscal 2022. While our net profit before tax on a restated basis was ₹379.93 million, we had operating profit before working capital changes of ₹409.57 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹24.47 million and finance cost of ₹5.34 million. Our working capital adjustments for Fiscal 2022 primarily consisted of increases in inventories of ₹(246.38) million and trade receivables of ₹(103.31) million and a decrease in trade payables of ₹(35.13) million. The increase in inventories is primarily due to our increased purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors). Our cash generated from operations was ₹34.87 million, adjusted by taxes and interest paid thereon of ₹(87.40) million.

Net cash used in operating activities on a restated basis was ₹(0.49) million for Fiscal 2021. While our net profit before tax on a restated basis was ₹276.37 million, we had operating profit before working capital changes of ₹308.31 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹24.60 million and finance cost of ₹5.61 million. Our working capital adjustments for Fiscal 2021 primarily consisted of increases in inventories of ₹(146.53) million, trade receivables of ₹(110.19) million and other assets of ₹(30.05) million, which were partially offset by an increase in trade payables of ₹36.86 million. The increase in inventories is primarily due to our increased purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors). Our cash generated from operations was ₹75.05 million, adjusted by taxes and interest paid thereon of ₹(75.54) million.

Net cash generated from operating activities on a restated basis was ₹132.10 million for Fiscal 2020. While our net profit before tax on a restated basis was ₹220.85 million, we had operating profit before working capital changes of ₹263.94 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹22.44 million and finance cost of ₹20.92 million. Our working capital adjustments for Fiscal 2020 primarily consisted of increases in inventories of ₹(85.41) million and other assets of ₹(42.93) million, which were partially offset by a decrease in trade receivables of ₹38.76 million and an increase in trade payables of ₹35.42 million. Our cash generated from operations was ₹214.92 million, adjusted by taxes and interest paid thereon of ₹(82.82) million.

#### Cash flows used in investing activities

Net cash used in investing activities on a restated basis was ₹(410.70) million for the nine-month period ended December 31, 2022, primarily due to the purchase of investments of ₹319.34 million and the net purchase of property, plant & equipment of ₹92.60 million. Our purchase of investments in the period consisted of 200,000 equity shares of FITPL and 50,000 equity shares of ISPL purchased by the Company and in turn 8,244,500 equity shares of RLPL and 9,030,868 equity shares of REPL purchased by FITPL.

Net cash used in investing activities on a restated basis was ₹(45.56) million for Fiscal 2022, primarily due to the net purchase of property, plant & equipment of ₹37.90 million and the addition to capital advance of ₹7.47 million.

Net cash used in investing activities on a restated basis was ₹(29.89) million for Fiscal 2021, primarily due to the net purchase of property, plant & equipment of ₹29.89 million.

Net cash used in investing activities on a restated basis was ₹(38.78) million for Fiscal 2020, primarily due to the net purchase of property, plant & equipment of ₹37.15 million and intangible assets of ₹1.63 million.

#### **Cash flows generated from/(used in) financing activities**

Net cash generated from financing activities on a restated basis was ₹197.79 million for the nine-month period ended December 31, 2022, primarily due to a net increase in short-term borrowings from banks of ₹184.41 million and a net increase in short-term borrowings from directors of ₹52.82 million, which was partially offset by payment of finance cost of ₹(25.57) million.

Net cash generated from financing activities on a restated basis was ₹102.66 million for Fiscal 2022, primarily due to an increase in short-term borrowings from banks of ₹118.50 million, which was partially offset by a repayment of instalments of ₹9.80 million towards long term borrowings from banks and payment of finance cost of ₹(5.15) million.

Net cash used in financing activities on a restated basis was ₹(33.73) million for Fiscal 2021, due to the net repayment of short term borrowings of ₹(22.48) million, the net repayment of long term borrowings of ₹(5.69) million and payment of finance cost of ₹(5.56) million.

Net cash used in financing activities on a restated basis was ₹(46.38) million for Fiscal 2020, due to the net repayment of long term borrowings of ₹(63.69) million and payment of finance cost of ₹(20.92) million, which were partially offset by an increase of short term borrowings of ₹38.23 million.

#### **Based on the Proforma Consolidated Financial Information**

The following table summarizes our cash flows for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, as per the Proforma Consolidated Financial Information:

Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31, (₹ in millions)		
		2022	2021	2020
Net cash generated from/(used in) operating activities	295.92	(154.84)	(86.38)	231.92
Net cash (used in) investing activities	(353.16)	(92.08)	(61.14)	26.50
Net cash generated from/(used in) financing activities	48.86	235.89	102.76	(205.25)
Net increase/(decrease) in cash and cash equivalents	(8.38)	(11.03)	(44.76)	53.17
Cash and cash equivalents at the beginning of the year/period	21.80	32.83	77.59	24.42
Cash and cash equivalents at the end of the year/period	13.42	21.80	32.83	77.59

#### **Cash flows generated from/(used in) operating activities**

Net cash generated from operating activities on a proforma consolidated basis was ₹295.92 million for the nine-month period ended December 31, 2022. While our net profit before tax on a proforma consolidated basis was ₹686.19 million, we had operating profit before working capital changes of ₹768.79 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹42.80 million and finance cost of ₹46.70 million. Our working capital adjustments for the nine-month period ended December 31, 2022 primarily consisted of increases in trade receivables of ₹(174.67) million, inventories of ₹(155.90) million and other assets of ₹(98.20) million, which were partially offset by increases in trade payables of ₹75.98 million and other current liabilities of ₹30.20 million. Our cash generated from operations was ₹469.15 million, adjusted by taxes and interest paid thereon of ₹(173.23) million.

Net cash used in operating activities on a proforma consolidated basis was ₹(154.84) million for Fiscal 2022. While our net profit before tax on a proforma consolidated basis was ₹694.70 million, we had operating profit before working capital changes of ₹791.85 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹50.82

million and finance cost of ₹49.18 million. Our working capital adjustments for Fiscal 2022 primarily consisted of increases in inventories of ₹(519.21) million, trade receivables of ₹(231.32) million and other assets of ₹(80.58) million. The increase in inventories is primarily due to our increased purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors). Our cash generated from operations was ₹1.19 million, adjusted by taxes and interest paid thereon of ₹(156.03) million.

Net cash used in operating activities on a proforma consolidated basis was ₹(86.38) million for Fiscal 2021. While our net profit before tax on a proforma consolidated basis was ₹398.81 million, we had operating profit before working capital changes of ₹499.77 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹39.39 million, finance cost of ₹43.70 million and balances written off of ₹17.15 million. Our working capital adjustments for Fiscal 2021 primarily consisted of increases in inventories of ₹(206.69) million, trade receivables of ₹(45.90) million and other assets of ₹(17.32) million and decreases in other financial liabilities of ₹(122.69) million and trade payables of ₹(93.28) million. The increase in inventories is primarily due to our increased purchases of certain raw materials and components in Fiscal 2021 and Fiscal 2022 in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors). Our cash generated from operations was ₹29.73 million, adjusted by taxes and interest paid thereon of ₹(116.11) million.

Net cash generated from operating activities on a proforma consolidated basis was ₹231.92 million for Fiscal 2020. While our net profit before tax on a proforma consolidated basis was ₹301.76 million, we had operating profit before working capital changes of ₹397.37 million, which was primarily due to non-cash adjustments for depreciation and amortisation of ₹40.74 million and finance cost of ₹46.39 million. Our working capital adjustments for Fiscal 2020 primarily consisted of increases in inventories of ₹(163.14) million, other assets of ₹(61.45) million and trade receivables of ₹(36.42) million, which were partially offset by increases in other financial liabilities of ₹128.34 million and trade payables of ₹66.76 million. Our cash generated from operations was ₹347.37 million, adjusted by taxes and interest paid thereon of ₹(115.45) million.

#### **Cash flows generated from/(used in) investing activities**

Net cash used in investing activities on a proforma consolidated basis was ₹(353.16) million for the nine-month period ended December 31, 2022, primarily due to the net purchase of property, plant & equipment of ₹200.47 million and the acquisition of investment in subsidiaries of ₹147.07 million.

Net cash used in investing activities on a proforma consolidated basis was ₹(92.08) million for Fiscal 2022, primarily due to the net purchase of property, plant & equipment of ₹83.41 million and capital advances of ₹13.90 million.

Net cash used in investing activities on a proforma consolidated basis was ₹(61.14) million for Fiscal 2021, primarily due to the net purchase of property, plant & equipment of ₹60.17 million.

Net cash generated from investing activities on a proforma consolidated basis was ₹26.50 million for Fiscal 2020, primarily due to the net sale of property, plant & equipment of ₹29.00 million, which was partially offset by the purchase of intangible assets of ₹1.63 million.

#### **Cash flows generated from/(used in) financing activities**

Net cash generated from financing activities on a proforma consolidated basis was ₹48.87 million for the nine-month period ended December 31, 2022, due to a net increase in long-term borrowings from banks of ₹402.05 million, which was partially offset by share capital/capital introduced/capital withdrawn of ₹(194.20) million, an increase in borrowings from related parties of ₹(104.41) million and finance cost of ₹(40.14) million.

Net cash generated from financing activities on a proforma consolidated basis was ₹235.89 million for Fiscal 2022, due to an increase in short-term borrowings from banks of ₹330.69 million and an increase in long-term borrowings from banks of ₹41.36 million, which were partially offset by finance cost of ₹(76.72) million, share capital/capital introduced/capital withdrawn of ₹(42.18) million and payment of lease liabilities of ₹(17.26) million.

Net cash generated from financing activities on a proforma consolidated basis was ₹102.76 million for Fiscal 2021, due to an increase in long-term borrowings from banks of ₹175.89 million and an increase in short-term borrowings from banks of ₹49.08 million, which were partially offset by finance cost of ₹(45.14) million, share capital/capital introduced/capital withdrawn of ₹(22.23) million and payment of lease liabilities of ₹(54.84) million.

Net cash used in financing activities on a proforma consolidated basis was ₹(205.25) million for Fiscal 2020, due to due to payment of lease liabilities of ₹(229.79) million, finance cost of ₹(46.39) million and share capital/capital introduced/capital withdrawn of ₹(45.16) million, which were partially offset by an increase in short-term borrowings from banks of ₹73.08 million and an increase in long-term borrowings from banks of ₹43.01 million.

## Financial Indebtedness

### Based on the Restated Consolidated Financial Information

As at December 31, 2022, we had total current and non-current borrowings of ₹1,363.27 million as per the Restated Consolidated Financial Information. The following table sets forth certain information relating to our outstanding indebtedness as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Restated Consolidated Financial Information.

(₹ in millions)				
Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
<b>Short Term</b>				
Secured Borrowings, comprising of:				
Cash credit	650.75	137.41	17.63	35.69
Add: Current maturities of long-term borrowings	44.33	9.81	11.09	15.51
Unsecured Borrowings, comprising of:				
Bank Overdraft				
From Corporate	111.81			
From Directors / Related Party	345.89			
Total current borrowings	1,152.78	147.22	28.72	51.20
Current Lease Liabilities	12.67	1.40	-	-
<b>Long Term</b>				
Secured Borrowings, comprising of:				
Term loan from banks/NBFCs	235.86	11.55	-	-
Vehicle loan	18.96	9.34	14.47	16.51
Unsecured Borrowings, comprising of:				
Term loan from banks/NBFCs	-	-	17.50	25.57
Less: Current maturities of non-current borrowings	(44.33)	(9.81)	(11.09)	(15.51)
Total non-current borrowings	210.49	11.08	20.88	26.57
Non-Current Lease Liabilities	76.80	1.91	-	-
<b>Total Indebtedness</b>	<b>1,452.74</b>	<b>161.61</b>	<b>49.60</b>	<b>77.77</b>

Our total indebtedness as at December 31, 2022 increased as compared to March 31, 2022 as a result of the consolidation of the Subsidiaries. The increase in total indebtedness as at March 31, 2022 as compared to March 31, 2021 and March 31, 2020 was primarily due to our increased purchasing activity for certain raw materials and components in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors), which were funded in part by our cash credit facilities.

### Based on the Proforma Consolidated Financial Information

As at December 31, 2022, we had total current and non-current borrowings of ₹1,363.27 million as per the Proforma Consolidated Financial Information. As at March 31, 2022, we had total current and non-current borrowings of ₹1,065.63 million, as per the Proforma Consolidated Financial Information. The following table sets forth certain information relating to our outstanding indebtedness as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Proforma Consolidated Financial Information.

(₹ in millions)				
Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
<b>Short Term</b>				
Secured Borrowings, comprising of:				
Cash credit	650.75	372.46	115.00	134.29
Working Capital Demand Loan	-	-	7.20	-

Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Others	-	-	-	0.03
Add: Current maturities of long-term borrowings	44.33	57.11	23.45	69.89
Unsecured Borrowings, comprising of:				
Bank Overdraft	-	-	-	2.85
From Corporate	111.81	115.19	106.06	34.18
From Directors / Related Party	345.89	133.63	10.55	8.21
From others	-	-	85.44	49.17
Total current borrowings	1,152.78	678.39	347.70	298.62
Current Lease Liabilities	12.67	9.24	7.86	6.31
<b>Long Term</b>				
Secured Borrowings, comprising of:				
Term loan from banks/NBFCs	235.86	159.27	143.11	14.25
Vehicle loan	18.96	15.91	18.86	18.87
Unsecured Borrowings, comprising of:				
Term loan from banks/NBFCs	-	161.31	137.50	148.07
From Directors / Related Party	-	107.86	69.86	58.69
Less: Current maturities of non-current borrowings	(44.33)	(57.11)	(23.45)	(69.89)
Total non-current borrowings	210.49	387.24	345.88	169.99
Non-Current Lease Liabilities	76.80	86.29	92.23	93.05
<b>Total Indebtedness</b>	<b>1,452.74</b>	<b>1,161.16</b>	<b>793.67</b>	<b>567.97</b>

The increase in total indebtedness as at December 31, 2022 as compared to March 31, 2022 was primarily due to (i) funds used for the purchase on equity shares of the Subsidiaries amounting to ₹13.50 million that was taken by our Company from Hardeep Singh and ₹6.65 million from Sanjeet Singh and (ii) working capital used to grow sales volume and overall business and (iii) loan of ₹173.38 million to deploy in under construction building. The increase in total indebtedness as at March 31, 2022 as compared to March 31, 2021 and March 31, 2020 is primarily due to (i) our increased purchasing activity for certain raw materials and components in order to have up to 90-120 days' worth of stock on hand (as compared to 30-60 days previously) in response to the supply chain impacts caused by the COVID-19 pandemic (including for semiconductors), which were funded in part by our cash credit facilities, and (ii) an additional loan taken in the amount of ₹322.28 million to finance the purchase of a parcel of land in Noida in Fiscal 2020 for purposes of constructing a new manufacturing facility of approximately 20,001 sq.ft.

See “Financial Indebtedness” for a description of broad terms of our indebtedness on page 465.

## Contingent Liabilities

### Based on the Restated Consolidated Financial Information

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as of December 31, 2022, as determined in accordance with Ind AS 37, as per the Restated Consolidated Financial Information:

(₹ in millions)	
Particulars	As at December 31, 2022
(a) Demand under Sales Tax for the year 2017-18 against pending C-Forms	25.10
(b) Corporate Guarantee	-
<b>Total</b>	<b>25.10</b>

For details, see “Financial Information – Restated Consolidated Financial Information – Notes forming part of the Restated Financial Statements– Note 38 – Contingent Liabilities and Other Commitments” on page 295.

### Based on the Proforma Consolidated Financial Information

The following table sets forth certain information relating to our contingent liabilities and claims against us, to the extent provided for, as of December 31, 2022, as determined in accordance with Ind AS 37, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Particulars	As at December 31, 2022
(a) Demand under Sales Tax for the year 2017-18 against pending C-Forms	25.10
(b) Corporate Guarantee Given	-
<b>Total</b>	<b>25.10</b>

For details, see “Financial Information – Proforma Consolidated Financial Information – Notes forming part of the Proforma Consolidated Financial Statements– Note 38 – Contingent Liabilities and Other Commitments” on page 379.

### Capital and Other Commitments

#### Based on the Restated Consolidated Financial Information

As of December 31, 2022 and March 31, 2022, we had capital commitments (net of advances) of nil and 9.82 million, respectively, as per the Restated Consolidated Financial Information.

The following table summarizes our other commitments as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Restated Consolidated Financial Information:

(₹ in millions)

Other Commitments	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Capital Commitment (Net of Capital Advances)	-	9.82	-	-
<b>Total</b>	<b>-</b>	<b>9.82</b>	<b>-</b>	<b>-</b>

#### Based on the Proforma Consolidated Financial Information

As of December 31, 2022 and March 31, 2022, we had capital commitments (net of advances) of nil and ₹9.82 million, respectively, as per the Proforma Consolidated Financial Information.

The following table summarizes our other commitments as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Other Commitments	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Capital Commitment (Net of Capital Advances)	-	9.82	-	-
<b>Total</b>	<b>-</b>	<b>9.82</b>	<b>-</b>	<b>-</b>

### Lease Liabilities

#### Based on the Restated Consolidated Financial Information

The Company enters into agreements for leasing of our two office premises. The leases for office premises run for a period of two to three years after which the lease is subject to termination at the option of lessee or lessor.

The following table sets forth a summary of our lease liabilities as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Restated Consolidated Financial Information, broken down by current and non-current:

(₹ in millions)

Lease Liabilities	As at December 31, 2022	As at March 31,		
		2022	2021	2020
Current	12.67	1.40	-	-
Non-current	76.80	1.91	-	-
<b>Total</b>	<b>89.47</b>	<b>3.31</b>	<b>-</b>	<b>-</b>

Based on the aforesaid lease agreements, the following table sets forth a summary of the carrying value of our Right-of-use assets as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars	As at December 31, 2022	As at March 31,		
		2022	2021	2020
Right-of-use assets	339.41	3.36	-	-
<b>Total</b>	<b>339.41</b>	<b>3.36</b>	<b>-</b>	<b>-</b>

Based on the Proforma Consolidated Financial Information

We enter into agreements for leasing of various premises. The leases for office premises and other premises run for periods of 2 years, 3 years, 5 years, 15 years, and 90 years after which the lease is subject to termination at the option of lessee or lessor. We have also executed short-term operating leases for office premises that runs for a period of 11 months from the date of execution, which is renewable as per mutual agreement.

The following table sets forth a summary of our lease liabilities as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Proforma Consolidated Financial Information, broken down by current and non-current:

Lease Liabilities	As at December 31, 2022	(₹ in millions) As at March 31,		
		2022	2021	2020
Current	12.67	9.24	7.86	6.31
Non-current	76.80	86.29	92.23	93.05
<b>Total</b>	<b>89.47</b>	<b>95.53</b>	<b>100.09</b>	<b>99.36</b>

Based on the aforesaid lease agreements, the following table sets forth a summary of the carrying value of our Right-of-use assets as at December 31, 2022, March 31, 2022, March 31, 2021, and March 31, 2020, as per the Proforma Consolidated Financial Information:

Particulars	As at December 31, 2022	(₹ in millions) As at March 31,		
		2022	2021	2020
Right-of-use assets	339.41	349.47	360.11	322.70
<b>Total</b>	<b>339.41</b>	<b>349.47</b>	<b>360.11</b>	<b>322.70</b>

### Capital Expenditure

Capital expenditures consist primarily of investments in our office and manufacturing facilities and purchases of furniture and fixtures, office equipment and motor vehicles. We also make investments at our buildings and manufacturing facilities to add new technologies and upgrade facilities and expand our product lines. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies.

Based on the Restated Consolidated Financial Information

The following table summarizes our capital expenditure for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, as per the Restated Consolidated Financial Information:

Particulars	For the nine-month period ended December 31, 2022	(₹ in millions) For the year ended March 31,		
		2022	2021	2020
Building		-	-	0.10
Computer	1.22	0.14	0.02	0.72
Plant & machinery	48.18	36.86	27.18	16.05
Land	-	-	-	0.00
Capital Work in Progress	34.00	-	-	-
Furniture & fixtures	0.35	-	-	0.00
Vehicles	10.47	0.35	3.99	20.92
Office Equipment	2.88	0.76	1.85	0.27
Computer software	0.23	0.30	0.13	1.63
Right-of-use assets	1.80	4.05	-	-

Particulars	For the nine-month period ended December 31, 2022	For the year ended March 31,		
		2022	2021	2020
Total Capital Expenditure	99.13	42.46	33.17	39.69

In the nine-month period ended December 31, 2022, we added fixed assets of property, plant, and equipment of ₹63.10 million, primarily for plant & machinery of ₹48.18 million.

For Fiscal 2022, we added fixed assets of property, plant, and equipment of ₹38.11 million, primarily for plant & machinery of ₹36.86 million.

For Fiscal 2021, we added fixed assets of property, plant, and equipment of ₹33.04 million, primarily for plant & machinery of ₹27.18 million and vehicles of ₹3.99 million.

For Fiscal 2020, we added fixed assets of property, plant, and equipment of ₹38.06 million, primarily for vehicles of ₹20.92 million and plant & machinery of ₹16.05 million.

Based on the Proforma Consolidated Financial Information

The following table summarizes our capital expenditure for the nine-month period ended December 31, 2022, Fiscal 2022, Fiscal 2021, and Fiscal 2020, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Particulars	For the nine-month period ended December 31, 2022	For the year ended March 31,		
		2022	2021	2020
Capital Work-in-Progress	121.26	52.90	35.60	-
Building	-	-	-	0.10
Computer	2.40	0.64	0.22	1.60
Plant & machinery	65.41	58.22	32.92	30.86
Land	-	-	-	-
Furniture & fixtures	1.56	0.34	0.55	0.90
Vehicles	10.47	6.18	7.98	20.92
Office Equipment	3.02	1.97	6.15	1.12
Computer software	0.23	0.30	0.13	1.62
Right-of-use assets	1.80	4.05	48.96	294.72
Total Capital Expenditure	206.15	124.60	132.51	351.84

In the nine-month period ended December 31, 2022, we added fixed assets of property, plant, and equipment of ₹82.86 million, primarily for plant & machinery of ₹65.41 million.

For Fiscal 2022, we added fixed assets of property, plant, and equipment of ₹67.35 million, primarily for plant & machinery of ₹58.22 million, vehicles of ₹6.18 million and office equipment of ₹1.97 million.

For Fiscal 2021, we added fixed assets of property, plant, and equipment of ₹47.82 million, primarily for plant & machinery of ₹32.92 million, vehicles of ₹7.98 million and office equipment of ₹6.15 million.

For Fiscal 2020, we added fixed assets of property, plant, and equipment of ₹55.50 million, primarily for plant & machinery of ₹30.86 million and vehicles of ₹20.92 million.

The above capital expenditures were primarily financed by internally generated resources and long-term bank borrowings.

**Off-Balance Sheet Commitments and Arrangements**



We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

### Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see “*Related Party Transactions*” on page 405.

### Quantitative and Qualitative Analysis of Market Risks

The Company has exposure to the following risks arising from financial instruments: credit risk; liquidity risk; and interest rate risk.

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Board of Directors have authorised senior management to establish the processes and ensure control over risks through the mechanism of properly defined framework in line with the businesses of the Company.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company’s activities.

The Company has policies covering specific areas, such as interest rate risk, foreign currency risk, other price risk, credit risk, liquidity risk and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers.

The Company’s credit risk is primarily to the amount due from customer and investments. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Trade receivables	731.93	259.69	156.38	46.40
Cash and cash equivalents	13.42	6.50	1.93	66.04
Bank balances other than cash and cash equivalents	12.27	-	0.01	0.49
Others	3.56	1.09	1.09	0.87

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Trade receivables	731.93	558.87	327.55	298.19

Particulars	At December 31, 2022	At March 31, 2022	At March 31, 2021	At March 31, 2020
Cash and cash equivalents	13.42	21.80	32.83	77.59
Bank balances other than cash and cash equivalents	12.27	5.46	3.44	4.75
Others	3.56	4.08	3.18	5.94

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable. The management uses a simplified approach (i.e., based on lifetime ECL) for the purpose of impairment loss allowance.

Majority of trade receivables are from an individual customer. Trade receivables as at December 31, 2022 primarily includes ₹216.22 million (March 31, 2022, March 31, 2021 and April 1, 2020: ₹205.95 million, ₹137.48 million and ₹42.28 million, respectively) from individual customer relating to revenue generated from sale of goods of ₹1,686.03 million during the nine-month period ended December 31, 2022 (₹2,006.03 million, ₹1,510.34 million and ₹1,345.08 million during Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively). Trade receivables are generally realized within the credit period.

The movement in the allowance for impairment in respect of trade receivables, as per the Restated Consolidated Financial Information, is as follows:

(₹ in millions)

Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31,		
		2022	2021	2020
Balance at the beginning	0.30	0.91	-	-
Balance at the beginning of Subsidiaries	13.77	-	-	-
Impairment loss recognized / (reversed)	(2.93)	(0.62)	0.91	-
Amount written off	-	-	-	-
Balance at the end	11.14	0.30	0.91	-

The movement in the allowance for impairment in respect of trade receivables, as per the Proforma Consolidated Financial Information, is as follows:

(₹ in millions)

Particulars	For the fiscal year ended March 31,		
	2022	2021	2020
Balance at the beginning	13.64	4.63	-
Impairment loss recognized / (reversed)	(0.42)	9.01	4.63
Amount written off	-	-	-
Balance at the end	13.22	13.64	4.63

Particulars	For the nine-month period ended December 31, 2022	For the fiscal year ended March 31,		
		2022	2021	2020
Balance at the beginning	13.22	13.64	4.63	-
Impairment loss recognized / (reversed)	(2.08)	(0.42)	9.01	4.63
Amount written off	-	-	-	-
Balance at the end	11.14	13.22	13.64	4.63

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from group companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

### Exposure to liquidity risk

#### Based on the Restated Consolidated Financial Information

The following are the remaining contractual maturities of financial liabilities at the reporting date, as per the Restated Consolidated Financial Information. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

(₹ in millions)

As at December 31, 2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non-current					
Non-current borrowings	210.49	-	210.49	-	210.49
Lease liabilities	76.80	-	2.66	74.14	76.80
Current					
Borrowings	1,152.78	1,152.78	-	-	1,152.78
Lease liabilities	12.67	12.67	-	-	12.67
Trade payables	308.11	308.11	-	-	308.11
Other financial liabilities	85.80	85.80	-	-	85.80
<b>Total</b>	<b>1,846.65</b>	<b>1,559.36</b>	<b>213.15</b>	<b>74.14</b>	<b>1,846.65</b>

#### Based on the Proforma Consolidated Financial Information

The following are the remaining contractual maturities of financial liabilities at the reporting date, as per the Proforma Consolidated Financial Information. The amounts are gross and undiscounted, and includes interest accrued but not due on borrowings.

(₹ in millions)

As at December 31, 2022	Carrying amount	Contractual cash flows			
		Less than one year	Between one year to five years	More than five years	Total
Non-current					
Non-current borrowings	210.49	-	210.49	-	210.49
Lease liabilities	76.80	-	2.66	74.14	76.80
Current					
Borrowings	1,152.78	1,152.78	-	-	1,152.78
Lease liabilities	12.67	12.67	-	-	12.67
Trade payables	308.11	308.11	-	-	308.11
Other financial liabilities	85.80	85.80	-	-	85.80
<b>Total</b>	<b>1,846.65</b>	<b>1,559.36</b>	<b>213.15</b>	<b>74.14</b>	<b>1,846.65</b>

### Market Risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, the Company mainly has

exposure to two type of market risk namely currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Currency Risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows to the extent of earnings and expenses in foreign currencies. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing, and financing activities. The Company enters into forward currency contracts to neutralise any foreign currency fluctuation risk

### Exposure to currency risk

#### Based on the Restated Consolidated Financial Information

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees as at the end of the reporting period are as follows, as per the Restated Consolidated Financial Information:

(₹ in millions)

Particulars	As at December 31, 2022			
		Amount		Amount
Financial assets				
Trade receivable	INR	228.76	USD	2.76
Financial liabilities				
Trade payable	INR	73.60	USD	0.89
Borrowings	INR	7.86	USD	0.09

#### Based on the Proforma Consolidated Financial Information

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees as at the end of the reporting period are as follows, as per the Proforma Consolidated Financial Information:

(₹ in millions)

Particulars	As at December 31, 2022			
		Amount		Amount
Financial assets				
Trade receivable	INR	228.76	USD	2.76
Financial liabilities				
Trade payable	INR	73.60	USD	0.89
Borrowings	INR	7.86	USD	0.09

### Interest Rate Risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. In order to balance the Group's position with regards to interest expense and to manage the interest rate risk, treasury performs a comprehensive interest rate risk management.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

#### Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations expose the Company to cash flow interest rate risk.

#### Based on the Restated Consolidated Financial Information

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period, as per the Restated Consolidated Financial Information, are as follows:

(₹ in millions)

Variable-rate instruments	As at December 31, 2022	As at March 31,		
		2022	2021	2020
Term Loan	235.86	11.55	17.50	25.57
Cash Credit	650.75	137.41	17.63	35.69
Total	886.61	148.96	35.13	61.26

Based on the Proforma Consolidated Financial Information

The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period, as per the Proforma Consolidated Financial Information, are as follows:

(₹ in millions)

Variable-rate instruments	As at December 31, 2022	As at March 31,		
		2022	2021	2020
Working Capital Term Loan	-	8.25	18.45	14.25
Term Loan	235.86	303.17	255.63	143.65
Cash Credit	650.75	262.92	75.55	99.29
Packing credit loan	-	109.54	39.45	35.00
Total	886.61	683.88	389.08	292.20

Cash flow sensitivity analysis for variable-rate instruments

Based on the Restated Consolidated Financial Information

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, as per the Restated Consolidated Financial Information. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in millions)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the period ended December 31, 2022	(4.43)	4.43	(3.32)	3.32
For the year ended March 31, 2022	(0.74)	0.74	(0.56)	0.56
For the year ended March 31, 2021	(0.18)	0.18	(0.13)	0.13
For the year ended March 31, 2020	(0.31)	0.31	(0.23)	0.23

Based on the Proforma Consolidated Financial Information

A reasonably possible change of 50 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, as per the Proforma Consolidated Financial Information. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in millions)

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest on term loans from banks				
For the period ended December 31, 2022	(4.43)	4.43	(3.32)	3.32

Particulars	Profit or loss		Equity, net of tax	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
For the year ended March 31, 2022	(3.42)	3.42	(1.95)	1.95
For the year ended March 31, 2021	(1.95)	1.95	(0.92)	0.92
For the year ended March 31, 2020	(1.46)	1.46	(1.02)	1.02

### Reservations, Qualifications and Adverse Remarks Included in Financial Statements

There have been no reservations or qualifications or adverse remarks of our Statutory Auditors in the nine-month period ended December 31, 2022, and in Fiscals 2022, 2021 and 2020.

### Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions, including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc., that, to our knowledge, may be described as “unusual” or “infrequent”.

### Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “Principal Factors Affecting our Results of Operations” above and the uncertainties described in “Risk Factors” on page 33. To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known trends or uncertainties that have had, or are expected to have, a material impact on our business or results of operations.

### Future Relationship between Cost and Revenue

Other than as described in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 33, 188 and 406, respectively, including the disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### New Products or Business Segments

Other than as disclosed in this section and in “Our Business” on page 188, as on the date of the Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

### Significant Dependence on Single or Few Customers

For details on our dependency on our key customers, please see “Risk Factors – 2. We are dependent on, and derive a substantial portion of our revenue from, a single customer, Signify Innovations India Limited, erstwhile Philips India, and over 85% of our revenue from our top twenty customers. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.” on page 35.

### Seasonality of Business

While our business is not seasonal in nature, certain of our products are subject to cyclical demand. We are also affected by capital and maintenance expenditure cycles of our customers and end-users, particularly those customers in the LED lighting sector. For more information, see “Risk Factors - The markets we serve are subject to cyclical demand and vulnerable to economic downturn, which could harm our business and make it difficult to project long-term performance.” on page 50.

### Competitive Conditions

We operate in a competitive environment and expect competition in our industry from existing and potential competitors to intensify. Please refer to “Our Business”, “Industry Overview”, “Risk Factors” and “Principal Factors Affecting our Results of Operations” above on pages 188, 134, 33 and 406, respectively, for further information on our industry and competition.

**Significant developments subsequent to December 31, 2022**

Except as set out in this Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2022, as derived from our Restated Consolidated Financial Information. This table should be read in conjunction with the sections titled “*Management's Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Information – Restated Consolidated Financial Information*” and “*Risk Factors*” on pages 406, 250 and 33, respectively.

*(in ₹ million, except for ratios)*

Particulars	Pre-Offer as at December 31, 2022	Post-Offer*
<b>Borrowings<sup>(1)</sup></b>		
Current Borrowings (including current maturities for long-term debt) <sup>#</sup> (A)	<b>1,152.78</b>	<b>[●]</b>
Non-current Borrowings <sup>#</sup> (B)	<b>210.49</b>	<b>[●]</b>
<b>Total borrowings (C = A+B)</b>	<b>1,363.27</b>	<b>[●]</b>
<b>Equity<sup>(3)</sup></b>		
Equity Share Capital <sup># (1)</sup> (D)	<b>650.00</b>	<b>[●]</b>
Other Equity <sup>#(1)</sup> (E)	<b>616.15</b>	<b>[●]</b>
<b>Total Equity (F = D+E)</b>	<b>1,266.15</b>	<b>[●]</b>
<b>Non-current Borrowings (/ Total Equity)(G = B/F)</b>	<b>0.17</b>	<b>[●]</b>
<b>Total borrowings / Total Equity (H = C/F)</b>	<b>1.08</b>	<b>[●]</b>

\*The corresponding post-Offer capitalization data is not determinable at this stage pending the completion of the Book Building process and hence, the same have not been provided in the above statement.

<sup>#</sup>These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).



## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for purposes such as, *inter alia*, term loans and other fund-based working capital loans. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, such as, *inter alia*, effecting a change in our shareholding pattern, change in the management of our board and change in our capital structure in connection with or post the Offer. For details regarding the resolution passed by our Shareholders on June 15, 2022 authorizing the borrowing powers of our Board, see “*Our Management – Borrowing Powers of our Board*” and “*Risk Factors – An inability to comply with repayment and other covenants in the financing agreements or otherwise to meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating*” on pages 228 and 60.

As on January 31, 2023, the aggregated outstanding borrowings of our Company amounted to ₹ 1,515.53 million.

Set forth below is a brief summary:

(₹ in million)		
Category of borrowing	Sanctioned amount	Outstanding amount as on January 31, 2023 <sup>^</sup>
Secured – Term Loan	407.60	233.62
Secured – Vehicle Loan	37.40	18.13
Unsecured – Directors & Others	721.45	721.45
Secured – Cash Credit	697.50	542.33
<b>Total</b>	<b>1,863.95</b>	<b>1,515.53</b>

<sup>^</sup>As certified by our Statutory Auditors, by way of their certificate dated May 29, 2023.

### Principal terms of the facilities sanctioned to our Company:

1. Interest: In respect of the facilities sanctioned to our Company, the interest rate ranges from 7.40% per annum to the floating rate of MIBOR + 2per annum with monthly resets. The interest rate for the loans sanctioned to our Company is typically tied to a base rate / marginal cost of lending rate, which may vary from lender to lender.
2. Tenor: Typically, the tenor of the cash credit facilities sanctioned to our Company ranges from 90 days to one year. The tenor for working capital term loan facilities is for 36 months to 54 months as per the terms of the borrowing arrangements.
3. Security: The facilities sanctioned are typically secured by way of equitable mortgage on specific property of our Company, hypothecation of our Company’s movable fixed assets and current assets, the personal guarantee of our Promoters and certain members of the promoter group and the corporate guarantees of certain Subsidiaries. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.
4. Pre-payment: The facilities availed by our Company allow pre-payment. Pre-payment may be subject to pre-payment penalties as may be prescribed by the lenders.
5. Re-payment: The working capital facilities availed by our Company are repayable on demand and subject to annual renewal. Our Company may repay all amounts of the facilities on the due dates for payment.
6. Penal 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 ranges from 2% per annum to 18.75% per annum or 2% above present applicable rate whichever is higher
7. Restrictive Covenants: The facilities sanctioned to our Company contain certain restrictive covenants, which require prior written consent of the lender or prior intimation to be made to the lender, including:
  - a. declaring any dividend or making any withdrawal in the form of salary, remuneration, incentive or commission by the Promoters and Directors in case of any over dues with the lenders;
  - b. issuing any personal guarantee for any other loans except for car loans, personal loans, home loans, education loans to be obtained for self and family members;
  - c. making any changes in the shareholding pattern or effecting any change in the capital structure of our Company;
  - d. undertaking any new scheme or project by our Company;

- e. making any material changes in the management set up of our Company;
- 8. Events of default: Borrowing arrangements entered into by our Company contain events of default, including, among others:
  - a. failure to comply with any takeover formalities in respect of the facilities including creation and perfection of security in favour of the lender.
  - b. non-fulfilment of financial and non-financial covenants under the loan documentation including non-maintenance of a minimum of 25% of net working capital; use funds for capital markets activities, etc.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us. For details, see *“Risk Factors –An inability to comply with repayment and other covenants in the financing agreements or otherwise to meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit ratings”* on page 60.

For further details of our unsecured loans, please read Note 22 of the Restated Consolidated Financial Information appearing on page 372.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; or (iii) claim involving our Company, Subsidiary, Directors or Promoters for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Subsidiaries, Directors or Promoters (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to the materiality policy approved by our Board in its meeting held on September 14, 2022 (“**Materiality Policy**”) (as disclosed herein below)*

*In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes involving the Relevant Parties wherein (i) the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate), in any such outstanding litigation, is equal to or in excess of an amount equivalent to 0.5% of the total income on a consolidated basis, as per the Restated Consolidated Financial Information for the Financial Year ended on March 31, 2022 would be considered material for our Company (“**Threshold**”) (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, or (iii) the pending litigation 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 the Threshold, have been considered “material” and accordingly have been disclosed in this Red Herring Prospectus.*

*The restated total income of our Company for Fiscal 2022 was ₹ 2,207.19 million. Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such outstanding litigation or arbitration proceeding is equal to or in excess of ₹ 110.36 million (being 0.5% of our total income of our Company for Fiscal 2022), have been disclosed in this Red Herring Prospectus.*

*Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against any of our Promoters in the last five Fiscals immediately preceding the date of this Red Herring Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Companies from third parties (excluding notices issued by statutory or regulatory authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered “material” until such time that the Relevant Parties are impleaded as a defendant before any judicial or arbitral forum.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors to be ‘material’, to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as of December 31, 2022. The trade payables of our Company as on December 31, 2022 was ₹ 194.31 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor individually exceeds ₹ 9.72 million as on March 31, 2022. 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.*

*Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### LITIGATIONS INVOLVING OUR COMPANY

##### i. Outstanding criminal proceedings

###### **Criminal proceedings against our Company**

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed against our Company.

###### **Criminal proceedings initiated by our Company**

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed by our Company.

#### **Other material proceedings**

##### ***Civil proceedings against our Company***

As on the date of this Red Herring Prospectus, there are no pending material civil proceedings filed against our Company which have been considered material in accordance with the Materiality Policy.

##### ***Civil proceedings initiated by our Company***

As on the date of this Red Herring Prospectus, there are no pending material civil proceedings filed by our Company which have been considered material in accordance with the Materiality Policy.

#### **ii. Outstanding actions by Statutory Authorities or Regulatory Authorities**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Company.

#### **iii. Outstanding tax proceedings**

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Company except as listed below.

<b>Nature of case</b>	<b>Number of cases</b>	<b>Amount Involved (net of provision) (in ₹ million )</b>
Direct Tax	Nil	N.A
Indirect Tax	6	27.42

#### **LITIGATIONS INVOLVING OUR SUBSIDIARIES**

##### **i. Outstanding Criminal Litigations involving our Subsidiaries**

##### ***Criminal proceedings against our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed against our Subsidiaries.

##### ***Criminal proceedings by our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed by our Subsidiaries.

##### **ii. Other material proceedings involving by our Subsidiaries**

##### ***Civil proceedings against our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

##### ***Civil litigations by our Subsidiaries***

As on the date of this Red Herring Prospectus, there are no outstanding material civil litigations initiated against our Subsidiaries.

##### **iii. Outstanding actions by Statutory Authorities or Regulatory Authorities involving our Subsidiaries**

As on the date of this Red Herring Prospectus, there are no outstanding actions initiated by Statutory Authorities or Regularity Authorities against our Subsidiaries.

##### **iv. Outstanding Tax proceedings involving our Subsidiaries**

As on date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Subsidiaries except as

listed below.

Fine Technologies (India) Private Limited

Nature of case	Number of cases	Amount Involved (net of provision) (In ₹ million )
Direct Tax	Nil	N.A
Indirect Tax	1	1.11

## LITIGATIONS INVOLVING OUR PROMOTERS

### i. Criminal proceedings involving our Promoters

#### *Criminal proceedings against our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

#### *Criminal proceedings initiated by our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

### ii. Other material proceedings involving by our Promoters

#### *Civil proceedings against our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Promoters.

#### *Civil proceedings initiated by our Promoters*

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Promoters.

### iii. Outstanding actions by Statutory or Regulatory authorities against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Promoters

### iv. Outstanding tax proceedings against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Promoters.

## LITIGATIONS INVOLVING OUR DIRECTORS

### i. Criminal litigations involving our Directors

#### *Criminal proceedings against our Directors*

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

#### *Criminal proceedings initiated by our directors*

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

### ii. Other material proceedings involving by our Directors

#### *Civil proceedings against our Directors*

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated against our Directors

#### *Civil proceedings initiated by our Directors*

As on the date of this Red Herring Prospectus, there are no outstanding civil proceedings initiated by our Directors

### iii. Outstanding actions by Statutory or Regulatory authorities against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding actions by Statutory or Regulatory authorities against our Directors.

### iv. Outstanding tax proceedings against our Directors

As on the date of this Red Herring Prospectus, there are no outstanding tax proceedings involving our Directors.

### Outstanding dues to creditors

In accordance with the Materiality Policy, our Company has considered such creditors material to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information, i.e. ₹15.41 million, as of December 31, 2022 (“**Material Creditors**”).

The details of the total outstanding over dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on December 31, 2022 is as set forth below:

(in ₹ million)		
Types of Creditors	Number of Creditors	Amount involved
Micro, small and medium enterprises*	60	(100.18)
Material Creditors	2	(46.94)
Other Creditors <sup>#</sup>	348	(160.99)
<b>Total</b>	<b>410</b>	<b>(308.11)</b>

\*As defined under the Micro, Small and Medium Enterprises Development Act, 2006.

<sup>#</sup> Including provisions and unbilled dues.

As certified by our Statutory Auditor by way of their certificate dated May 29, 2023.

Details pertaining to outstanding over dues to material creditors, if any, along with names and amounts involved for each such material creditor shall be made available on the website of our Company at [https://ikio.in/uploads/ipo/Material\\_Creditors.pdf](https://ikio.in/uploads/ipo/Material_Creditors.pdf).

### Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Position and Results of Operations—Significant Developments Occurring after December 31, 2022*” on page 463, no circumstances have arisen since December 31, 2022, the date of the last Restated Consolidated Financial Information disclosed in this Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's and Material Subsidiaries' current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company and Material Subsidiaries. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see *"Key Regulations and Policies in India"* on page 211.

For Offer related approvals, see *"Other Regulatory and Statutory Disclosures"* on page 475 and for incorporation details of our Company, see *"History and Certain Corporate Matters"* on page 216.

### I. Approvals in relation to incorporation of our Company and Material Subsidiaries

#### Our Company

Sr. No.	Particulars	Issuing authority	Date of issue
1.	Certificate of incorporation under the name 'IKIO Lighting Private Limited'	Registrar of Companies,	March 21, 2016
2.	Fresh certificate of incorporation consequent upon change of name from 'IKIO Lighting Private Limited' to 'IKIO Lighting Limited', pursuant to conversion of our Company from a private limited company to a public limited company	Registrar of Companies	April 18, 2022

3. The corporate identification number of our Company is U31401DL2016PLC292884.

#### Material Subsidiaries

Sr. No.	Particulars	Issuing authority	Date of issue
<b>Fine Technologies (India) Private Limited</b>			
1.	Certificate of incorporation under the name 'Fine Technologies (India) Private Limited'	Registrar of Companies,	February 2, 1999
<b>Royalux Lighting Private Limited</b>			
2.	Certificate of incorporation under the name 'Royalux Lighting Private Limited'	Registrar of Companies,	March 23, 2022
<b>Royalux Exports Private Limited</b>			
3.	Certificate of incorporation under the name 'Royalux Exports Private Limited'	Registrar of Companies	December 7, 2021
<b>IKIO Solutions Private Limited</b>			
4.	Certificate of incorporation under the name of 'IKIO Solutions Limited'	Registrar of Companies,	October 5, 2018

### II. Material 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 475.

### III. Material approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

#### Tax related approvals

Sr. No.	Particulars	Issuing authority	Date of issue
1.	Permanent account number AAECI0840F	Income Tax Department, Government of India	-
2.	Tax deduction account number DELI11679D	Income Tax Department, Government of India	June 7, 2022

Sr. No.	Particulars	Issuing authority	Date of issue
3.	GST Registration Certificate numbered 05AAECI0840F1Z2	Ministry of Commerce, Government of India	May 5, 2022
4.	GST Registration Certificate numbered 09AAECI0840F1ZU	Ministry of Commerce, Government of India	July 27, 2022
5.	Importer-Exporter Code (IEC) number 0516963821	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.	September 19, 2016

*Material approvals in relation to our Company*

Sr. No.	Particulars	Issuing authority	Date of issue	Validity
1.	Registration and license number to work a factory under the Factories Act, 1948	Labour Department, Uttarakhand	May 10, 2019	December 31, 2023
2.	No objection certificate	Office of the Chief Fire Officer of Haridwar District, Fire and Emergency Services, Uttarakhand	September 19, 2022	September 18, 2025
3.	Consolidated Consent and Authorization under the Water (Prevention and Control of Pollution) Act 1974, Air Act 1981 and the Hazardous Waste (Management & Handling & Transboundary Movement) Rules, 2008	Environment Engineer, Uttarakhand Pollution Control Board	April 1, 2021	March 31, 2024
6.	Udyam registration certificate for medium enterprise	Ministry of Micro, Small and Medium Enterprises, Government of India	March 11, 2021	-
7.	Certificate of registration under Rule 27 of Legal Metrology (Package Commodities), Rules 2011	Legal Metrology Department, Government of Uttarakhand	September 20, 2022	-

*Labour and commercial approvals*

Sr. No.	Particulars	Issuing authority	Date of issue	Validity
1.	Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.	Employees' Provident Fund Organization, India	February 16, 2017	-
2.	Registration under the Employees State Insurance Act, 1948	Employees State Insurance Corporation, India	December 20, 2016	-
3.	Registration certificate of establishment	Department of Labour, Government of National Capital Territory of Delhi	April 12, 2022	-
4.	Registration certificate of shop or commercial establishment	Labour Department, Uttar Pradesh	May 10, 2022	March 31, 2027

**IV. Material approvals in relation to our Material Subsidiaries**

*A. Tax related approvals*

Sr. No.	Particulars	Issuing authority	Date of issue
<b>Fine Technologies (India) Private Limited</b>			
1.	Permanent account number AAACF3487D	Income Tax Department, Government of India	-
2.	Tax deduction account number DELF01777G	Income Tax Department, Government of India	-



Sr. No.	Particulars	Issuing authority	Date of issue
3.	GST registration certificate 09AAACF3487DZ	Ministry of Commerce, Government of India	July 27, 2018
4.	Importer-Exporter Code (IEC) number 0500007918	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	May 15, 2000
<b>Royalux Lighting Private Limited</b>			
1.	Permanent account number AALCR7281C	Income Tax Department, Government of India	-
2.	Tax deduction account number DELR42289C	Income Tax Department, Government of India	April 5, 2022
3.	GST registration certificate 09AALCR7281C1Z3	Ministry of Commerce, Government of India	April 5, 2022
4.	Importer-Exporter Code (IEC) number AALCR7281C	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	April 6, 2007
<b>Royalux Exports Private Limited</b>			
1.	Permanent account number AALCR4996E	Income Tax Department, Government of India	-
2.	Tax deduction account number DELR41494F	Income Tax Department, Government of India	December 7, 2021
3.	GST registration certificate 09AALCR4996E1ZR	Ministry of Commerce, Government of India	May 9, 2022
4.	Importer-Exporter Code (IEC) number 0507058828	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	November 2, 2007
<b>IKIO Solutions Private Limited</b>			
1.	Permanent account number AAFCI0133A	Income Tax Department, Government of India	-
2.	Tax deduction account number MRTI02221C	Income Tax Department, Government of India	September 22, 2018
3.	GST registration certificate number 09AAFCI0133A1Z9	Ministry of Commerce, Government of India	December 11, 2018

*B. Material approvals in relation to the business operations of our Material Subsidiaries*

Sr. No.	Particulars	Issuing authority	Date of issue	Validity up to
<b>Fine Technologies (India) Private Limited</b>				
1.	Registration and license to work a factory under the Factories Act, 1948	Labour Department, Uttar Pradesh	November 1, 2019	December 31, 2029
2.	Registration certificate of commercial establishment	Department of Labour, Government of National Capital Territory of Delhi	April 12, 2022	-
3.	Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981	Regional Officer, U.P. Pollution Control Board	September 6, 2021	March 31, 2025
4.	Consent to Operate under the Water (Prevention and Control of Pollution) Act, 1974	Regional Officer, U.P. Pollution Control Board	September 6, 2021	March 31, 2025
5.	Udyam registration certificate	Ministry of Micro, Small and Medium Enterprises, Government of India	January 22, 2021	-
6.	No objection certificate	Office of the Fire Officer, Uttar Pradesh	August 13, 2022	August 12, 2025
<b>Royalux Lighting Private Limited</b>				

Sr. No.	Particulars	Issuing authority	Date of issue	Validity up to
1.	Registration and license to work a factory under the Factories Act, 1948	Labour Department Uttar Pradesh	March 6, 2020	March 29, 2024
2.	Registration certificate of establishment	Department of Labour, Government of National Capital Territory of Delhi	April 12, 2022	-
3.	Udyam registration certificate	Ministry of Micro, Small and Medium Enterprises, Government of India	April 15, 2022	-
<b>Royalux Exports Private Limited</b>				
1.	Registration and license to work a factory under the Factories Act, 1948	Office of the Development Commissioner, Noida Special Economic Zone, Ministry of Commerce and Industry, Government of India	March 22, 2023	December 31, 2023
2.	Registration certificate of establishment	Department of Labour, Government of National Capital Territory of Delhi	April 12, 2022	-
3.	Udyam registration certificate	Ministry of Micro, Small and Medium Enterprises, Government of India.	April 16, 2022	
<b>IKIO Solutions Private Limited</b>				
1.	Registration certificate of shop or commercial establishment	Labour Department, Uttar Pradesh	May 1, 2022	March 31, 2027

### C. Labour and commercial approvals

Sr. No.	Particulars	Issuing authority	Date of issue
<b>Fine Technologies (India) Private Limited</b>			
1.	Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organization, India	-
2.	Registration under the Employees State Insurance Act, 1948.	Employees State Insurance Corporation, India	-
<b>Royalux Lighting Private Limited</b>			
1.	Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organization, India	-
2.	Registration under the Employees State Insurance Act, 1948.	Employees State Insurance Corporation, India	-
<b>Royalux Exports Private Limited</b>			
1.	Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organization, India	
2.	Registration under the Employees State Insurance Act, 1948	Employees State Insurance Corporation, India	

### V. Material approvals or renewals applied for but not received

Sr. No.	Application	Issuing Authority	Date of application
<b>Royalux Lighting Private Limited</b>			
1.	No objection certificate	U.P. Fire Service	May 18, 2022
2.	Consent to operate	U.P Pollution Control Board	May 18, 2022

### VI. Intellectual Property related approvals

As on the date of this Red Herring Prospectus, our IP portfolio (either directly or indirectly through our Subsidiaries) consists of two registered trademarks (including the logo of our Company under class 11) and two pending trademark applications.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate Approvals*

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on September 14, 2022 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated September 16, 2022 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board and IPO Committee have taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to resolutions dated September 29, 2022 and May 1, 2023, respectively.

Our Board has pursuant to the resolution passed at its meeting held on September 29, 2022 approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges. Further, the Board has approved this Red Herring Prospectus pursuant to resolution dated May 29, 2023.

#### *Approval from the Selling Shareholders*

The Selling Shareholders has confirmed and authorized the transfer of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of the Selling Shareholders	Equity Shares offered in the Offer for Sale (up to)	Date of consent letter
Hardeep Singh	6,000,000	September 17, 2022
Surmeet Kaur	3,000,000	September 17, 2022 and April 17, 2023

#### *In-principle Listing Approvals*

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters both dated November 2, 2022.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Subsidiaries, our Promoters, our Directors and the members of the Promoter Group are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters 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.

Neither our Company nor our Directors or Promoters have been declared as a 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.

Our individual Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders, severally and not jointly, confirm that they are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

### Directors associated with the Securities Market

Other than Chandra Shekhar Verma, who is associated with Multi Commodity Exchange of India Limited which is registered as Commodity Exchange with SEBI, none of our Directors are associated with securities market related business. There are no outstanding actions initiated by SEBI in the last five years preceding the date of the Draft Red Herring Prospectus against our Directors.

### Confirmation under the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to them, as on the date of this Red Herring Prospectus.

### **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:

- Our Company has net tangible assets of at least ₹30 million, 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;
- Our Company has an average profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three full years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Except as disclosed in this Red Herring Prospectus, our Company has not changed its name in the last one year.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- a. None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control are debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.
- b. None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- c. Neither our Company nor our Directors or Promoters have been declared as a 'wilful defaulter' or a 'fraudulent borrower', as defined under the SEBI ICDR Regulations.
- d. Our individual Promoters or Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- e. There are no convertible securities that are required to be converted on or before the filing of the Red Herring Prospectus;
- f. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees to whom the Equity Shares will be Allotted under the Offer shall be not less than 1,000 failing which the entire application monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Information included in this Red Herring Prospectus, as at, and for the last three years ended March 31 are set forth below:

*Derived from our Restated Consolidated Financial Information*

*(₹ in million)*

Particulars	Fiscal		
	2022	2021	2020
Restated net tangible assets (A) <sup>(1)</sup>	168.45	153.93	149.97
Pre-tax operating profit (B) <sup>(2)</sup>	371.69	272.61	220.01
Net Worth (C) <sup>(3)*</sup>	764.41	483.16	276.67
Restated monetary assets (D) <sup>(4)</sup>	6.50	1.94	66.53
Restated monetary assets as a percentage of the restated net tangible assets (D)/(A) <sup>(5)</sup>	3.85	1.26	44.36

Source: Restated Consolidated Financial Information as included in “Financial Information” beginning on page 250.

\*Retained earnings does not include balance of re-measurement of defined benefit plan as it will not be reclassified subsequently to profit or loss

Notes:

- (1) ‘Net tangible assets’ means the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard 26 (Ind AS 26) or 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 [as profit before Interest cost, other income, and exceptional item and tax expenses.
- (4) ‘Net worth’ means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Our Company has operating profits in each of Fiscal 2022, 2021 and 2020 in terms of our Restated Consolidated Financial Information. Our average operating profit for Fiscals 2022, 2021 and 2020 is ₹ 288.10 million.

Each Selling Shareholder, has severally and not jointly, confirms that their respective portion of offered shares are held by them for a period of at least one year prior to the date of filing of the 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 THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE SOLE BOOK RUNNING LEAD MANAGER BEING MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIRE/MENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **DISCLAIMER CLAUSE OF THE SELLING SHAREHOLDERS**

**THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE FOR THE RESPECTIVE STATEMENTS CONFIRMED OR UNDERTAKEN BY IT IN THIS RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES**

All legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Manager**

Our Company, our Directors, the Selling Shareholders and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, <https://ikio.in/>, or any website of any of the members of our Promoter Group, Group Companies or any affiliate of our Company, would be doing so at his or her own risk. Each Selling Shareholder and their affiliates, associates and officers accept/undertake no responsibility for any statements made or undertakings provided other than those specifically undertaken or confirmed by such Selling Shareholder, and only in relation to itself and/or to the respective Offered Shares in this Red Herring Prospectus.

The Book Running Lead Manager 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, the Registrar to the Offer and our Company.

All information shall be made available by our Company, the Selling Shareholders (to the extent of themselves and their Offered Shares) and the Book Running Lead Manager to the Bidders and public at large and no selective or additional information would be made 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.

Neither our Company nor the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Banks 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.

The Book Running Lead Manager and its associates and affiliates in their capacity as principals and agents may engage in transactions with, and perform services for our Company, our Promoters, members of the Promoter Group, the Selling Shareholders and their respective group companies, 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 our Promoters, members of the Promoter Group or the Selling Shareholders or their respective group companies, affiliates or associates or third parties for which they have received, and may in future receive compensation.

Bidders will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

#### **Disclaimer in respect of jurisdiction**

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

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, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, National Investment Fund set up by the GoI, provident funds and pension funds fulfilling the minimum corpus requirements under the SEBI ICDR Regulations, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Post, (India), systematically important NBFCs, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Red Herring Prospectus does not, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 the 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 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 Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

This Red Herring Prospectus does not constitute offer to sell or an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

#### **Directors associated with the Securities Market**

None of the Directors are, in any manner, associated with the securities market. There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Red Herring Prospectus.

#### **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” as defined in, and 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.**

**Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to available exemptions from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.**

**The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.**

**Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:**

- Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.
- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in “offshore transactions” as defined in, and in reliance on, Regulation S.
- Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.
- Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Offer as result of any “directed selling efforts” (as defined in Regulation S).
- Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- Agree to indemnify and hold our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.
- Represent and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.
- Represents and warrant to our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.



- Acknowledge that our Company, the Selling Shareholders, the Book Running Lead Manager and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

#### **Disclaimer clause of BSE**

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to us post scrutiny of the Draft Red Herring Prospectus is set forth below:

“BSE Limited (“**the Exchange**”) has given vide its letter dated November 2, 2022, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b. warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

#### **Disclaimer clause of NSE**

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to us post scrutiny of the Draft Red Herring Prospectus is set forth below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1941 dated November 02,2022, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **Listing**

The Equity Shares issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application has been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholders in proportion to its respective portion of the Offered Shares. For the avoidance

of doubt, subject to applicable law, a Selling Shareholders shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay, as the case may be, is by, and is directly attributable to, an act or omission, of to such Selling Shareholders and such liability shall be limited to the extent of its respective portion of the Offered Shares.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be required and requested by our Company, to the extent such support and cooperation is required from such Selling Shareholders to facilitate the process of listing and commencement of trading of their respective portion of the Offered Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Legal Counsel to our Company as to Indian law, Legal Counsel to the Book Running Lead Manager as to International law, advisor to the Offer, the Bankers to our Company, Book Running Lead Manager, Statutory Auditors, Frost and Sullivan, Chartered Engineer and the Registrar to the Offer have been obtained; and the consents in writing of the Syndicate Members, Escrow Collection Banks, Public Offer Account Bank, Refund Bank, and Sponsor Banks to act in their respective capacities, will be obtained. Further, such consents shall not be withdrawn up to the time of filing of this Red Herring Prospectus with RoC.

### **Expert opinion**

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

Our Company has received written consent dated May 19, 2023 from our Statutory Auditors holding a valid peer review certificate from ICAI to include their name in this Red Herring Prospectus as an “expert” as defined under Section 2(38) read with Section 26 of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination report on our Restated Consolidated Financial Information dated May 12, 2023 and in respect of the statement of special tax benefits dated April 07, 2023. The consent has not been withdrawn as of the date of this Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

In addition, our Company has received written consents dated May 17, 2023 from Sapient Services Private Limited, as chartered engineer to include his name as an “expert” as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013 in respect of the certificate dated May 17, 2023, on installed capacity, actual production and capacity utilisation at our manufacturing facilities owned and/or controlled by the Company and estimated cost for the Proposed Project, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Particulars regarding public or rights issues undertaken by our Company during the last five years**

Except as disclosed in the section entitled “*Capital Structure*” on page 91, there have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Red Herring Prospectus.

### **Commission or brokerage on previous issues during the last five years**

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Red Herring Prospectus.

### **Capital Issues in the preceding three years**

Except as disclosed in the section entitled “*Capital Structure*” on page 91, our Company has not made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus. None of our Group Companies are

listed on any stock exchange. Accordingly, none of our Group Companies have made any capital issues during the three years immediately preceding the date of this Red Herring Prospectus.

**Performance *vis-à-vis* objects - Public/ rights issue of our Company**

Except as disclosed in the section entitled “*Capital Structure*” on page 91, our Company has not undertaken any public, including any rights issues to the public in the five years immediately preceding the date of this Red Herring Prospectus.

**Performance *vis-à-vis* objects: Public/ rights issue of the listed Subsidiaries and listed Promoters**

As on the date of this Red Herring Prospectus our Company does not have a corporate promoter or a listed subsidiary.

*[Rest of this page has been left blank intentionally]*

## Price information of past issued handled by the Book Running Lead Manager

### 1. Price information of past issues handled by Motilal Oswal Investment Advisors Limited:

S. No.	Issue name	Issue size (₹ in million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, +/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180th calendar days from listing
1.	Radiant Cash Management Limited#	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	0.41% [-3.75%]	N.A.
2.	Tamilnad Mercantile Bank Limited^	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]
3.	Dreamfolks Services Limited^	5,621.01	326.00	September 6, 2022	505.00	+12.07% [-1.91%]	+14.80% [+6.20%]	+12.94% +1.24%
4.	Metro Brands Limited^	13,675.05	500	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93% [-9.78%]
5.	Aditya Birla Sun Life AMC Limited#	27,682.56	712	October, 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	-25.65%, [-0.90%]
6.	Devyani International Limited#	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	+97.17%, [+4.90%]
7.	GR Infraprojects Limited^@	9,623.34	837	July 19, 2021	1,700.00	+90.61%, [+6.16%]	+138.67%, [+16.65%]	+132.16%, [+16.50%]

Source: Information has been taken from (nseindia.com, bseindia.com) as per respective Designated Stock Exchange of the above Issuer Companies, as applicable

^BSE as Designated Stock Exchange

#NSE as Designated Stock Exchange

@Discount of ₹42.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

#### Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
4. N.A. (Not Applicable) – Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

### 2. Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited

Financial Year	Total no. of IPOs#	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. 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%
2022-23*	2	13,699.41	-	-	1	-	-	1	-	-	-	-	-	-
2021-22	4	69,360.95	-	-	1	1	1	1	-	1	1	2	-	1
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* The information is as on the date of the Offer document.

# The information for each of the financial years is based on issues listed during such financial year.

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

### Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Name of the Book Running Lead Manager	Website
Motilal Oswal Investment Advisors Limited	<a href="http://www.motilaloswalgroup.com">www.motilaloswalgroup.com</a>

### Stock market data of the Equity Shares

As the Offer is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

### Mechanism for redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than by Anchor Investors, in relation to the Bidding Period 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, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, UPI ID, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid cum Application was submitted by the Bidder. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Book Running Lead Manager, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

For offer related grievance investors may contact Book Running Lead Manager, details of which are given in “*General Information*” on page 83.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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.

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 (“**March 2021 Circular**”), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Banks containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI

circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer Book Running Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, in relation to redressal of investor grievances through SCORES.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI 4circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, investors shall be compensated by the SCSBs in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same ASBA application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications within the stipulated period. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts

beyond the date of receipt of the complaint, subject to and in accordance with the provisions of the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations. 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.

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus. There are no investor complaint in relation to our Company pending as on the date of this Red Herring Prospectus. Our Group Companies are not listed on any stock exchange.

#### **Disposal of investor grievances by our Company**

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 223 to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer, and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale. Our Company estimates that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Sandeep Kumar Agarwal, our Company Secretary, as our Compliance Officer. For details, please see the section entitled “*General Information*” on page 83.

Further, our Board has constituted the Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further information, please see the section entitled “*Our Management – Corporate Governance*” on page 228.

#### **Disposal of investor grievances by listed Group Companies and Subsidiaries**

As on the date of this Red Herring Prospectus, none of our Group Companies are listed on any stock exchange, and therefore there are no investor complaints pending against them. Further, as on the date of this Red Herring Prospectus, our Company does not have a listed subsidiary.

#### **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

As on the date of this Red Herring Prospectus, our Company has not been granted by SEBI any exemption from complying with any provisions of securities laws.

#### **Other confirmations**

No person connected with the Offer, including but not limited to our Company, the Book Running Lead Manager, the Syndicate Members, the Promoters, 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.

## SECTION VII – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of this 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 Allotment Advices 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 consists 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 101.

#### Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our 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 and voting. 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. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 519.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other applicable laws, guidelines or directions which may be issued by the Government in this regard. 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 details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on pages 249 and 519, respectively.

#### Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band 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 in consultation with the Book Running Lead Manager, as per applicable law and advertised in all editions of English national daily newspaper, Financial Express and all editions of Hindi national daily newspaper, Jansatta, (Hindi being the regional language of New Delhi, where our Registered 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 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. The Cap Price shall be at least 105% of the Floor Price. The Offer Price shall be determined by our Company in consultation with the Book Running Lead Manager after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares issued and offered by way of Book Building Process.

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, or ‘e-voting’ in accordance with the provisions of the Companies Act, 2013;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and other preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations and foreign exchange regulations; and
- Such other rights, as may be available to a Shareholder of a listed public company under the Companies Act 2013, the terms of the SEBI Listing Regulations and the Memorandum and 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 Articles of Association*” on page 519.

### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, and the SEBI Listing Regulations the Equity Shares shall be Allotted only in dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical 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 May 2, 2022, among CDSL, our Company and the Registrar to the Offer
- Tripartite Agreement dated May 2, 2022, among NSDL, our Company and the Registrar to the Offer

### **Market Lot and Trading Lot**

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialized/electronic form, the tradable lot is one Equity Share. Allotment in this Offer will be only in dematerialized/electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment further details, see “*Offer Procedure*” beginning on page 498.

### **Joint Holders**

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Jurisdiction**

The courts of Delhi, India will have exclusive jurisdiction in relation to this Offer.

### **Period of operation of subscription list**

See “*Bid/Offer Programme*” on page 488.

### **Nomination facility to Investors**

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, 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 such person would be entitled if they 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 nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. 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, interests, 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.

### **Withdrawal of the Offer**

Our Company and/or the Selling Shareholders, in consultation with the Book Running Lead Manager, reserve the right to not proceed with the Offer, in whole or part thereof, to the extent of their respective portion of Offered Shares after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and/or Selling Shareholders, in consultation with the Book Running Lead Manager, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. In such event, the Book Running Lead Manager through the Registrar to the Offer shall notify the SCSBs and the Sponsor Banks in case of UPI Bidders using the UPI Mechanism, 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. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

Notwithstanding the foregoing, the 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 within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and/or Selling Shareholders, in consultation with the Book Running Lead Manager withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI and Stock Exchanges.

## Bid/Offer Programme

BID/OFFER OPENS ON	Tuesday, June 06, 2023 (1)
BID/OFFER CLOSES ON	Thursday, June 08, 2023 (2)#

(1) Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations

(2) Our Company in consultation with the Book Running Lead Manager, 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.

# UPI mandate end time and date shall be at 5.00 p.m. on Thursday, June 08, 2023

**An indicative timeline 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 Tuesday, June 13, 2023
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Wednesday, June 14, 2023
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, June 15, 2023
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, June 16, 2023

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/deletion is placed in the Stock 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/Offer 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/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. 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 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 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 UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

**The above timetable, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the Book Running Lead Manager.**

**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 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 in consultation with the Book Running**

**Lead Manager, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI Notification No. No. SEBI/LAD-NRO/GN/ 2022/ 63 dated January 14, 2022, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription. In case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares it shall refund the entire money received on application within 4 days of receipt of intimation of such rejection. 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 it shall extend such reasonable support and co-operation required by our Company and the Book Running Lead Manager 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 Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.**

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Manager 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.

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time (“IST”)
<b>Bid/Offer Closing Date*</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 p.m. on Thursday, June 08, 2023 .*

**On the Bid/ Offer Closing Date, Bids shall be uploaded until:**

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- 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 Book Running Lead Manager to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the Book Running Lead Manager and the Registrar to the Offer on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to 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 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 on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid / Offer Period. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform

during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

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 and revisions by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by 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. Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/Offer Period. 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. Provided that Cap Price shall remain minimum 105% of the Floor Price and shall not exceed 120% of the Floor Price. Neither our Company, nor the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software/hardware system or otherwise.

**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 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in 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 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.**

None among our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) 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.

In case of discrepancy in data entered in the electronic book *vis-a-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 may 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 this Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, and SEBI notification No. SEBI/LADNRO/ GN/ 2022/ 63 dated January 14, 2022, our Company shall within four days from the closure of the Offer or within 4 days of receipt of intimation of rejection of listing by the stock exchange and refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares, as may be applicable. If there is a delay beyond four days after Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest prescribed under the applicable law.

In the event of 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 SCRR, The Allotment for valid Bids will be made in the following order:

- i. In the first instance towards subscription for 90% of the Fresh Issue; and
- ii. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made:
  - a. pro rata towards Equity Shares offered by the Selling Shareholders;
  - b. Thereafter, towards the balance of the Fresh Issue.

.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 such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholders shall not be responsible or liable for payment and/ or reimbursement towards refund or interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such 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

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 Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 91 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 Articles of Association*" beginning on page 519.

## OFFER STRUCTURE

The Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹ [●] million (the “Offer”). The Offer comprises of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹3,500 million and an Offer for Sale of up to 9,000,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

The face value of the Equity Shares is ₹ 10 each.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or 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
Percentage of Offer size available for Allotment/allocation	<p>Not more than 50% of the Offer size shall be available for allocation to QIBs.</p> <p>However, 5% of the Net QIB 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 QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs</p>	<p>Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders subject to the following</p> <p>(i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million; and</p> <p>(ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Non-Institutional Bidders with application size of more than ₹ 1.00 million; provided that the unsubscribed portion in either of the sub categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.</p>	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/allocation if respective category is oversubscribed*	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares)</p>	<p>The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following:</p> <p>(a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million</p>	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 498.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	may be allocated on a discretionary basis to Anchor Investors at the Anchor Investor Allocation Price out of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations.	<p>upto ₹1.00 million; and</p> <p>(b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million.</p> <p>Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations.</p> <p>The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR. For details, see “Offer Procedure” on page 498.</p>	
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 and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] 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 the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
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 <sup>(3)(4)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions Mutual Funds registered with SEBI, FPIs (other than individuals,	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, 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)



Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs		
Terms of Payment	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup> <b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks 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.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

*\*Assuming full subscription in the Offer*

- (1) *Our Company, in consultation with the Book Running Lead Manager, 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 Procedure” on page 498.*
- (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 in compliance with Regulation 6(1)) of the SEBI ICDR Regulations.*
- (3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository 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.*

*The Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on page 504 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.*

*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 at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “Terms of the Offer” on page 488.*

## 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 issued by SEBI, and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. 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) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

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 of T+3 days 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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, and the provisions of this circular are deemed to form part of this Red Herring Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. 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 whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the bid-cum-application form submitted with the Designated Intermediaries. 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, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, 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 Book Running Lead Manager 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Red Herring Prospectus and the Prospectus.*

*Further, our Company and 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 read with Regulation 31 of the SEBI ICDR Regulations, 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 Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 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 on a proportionate basis to Non-Institutional Bidders of which one-third shall be available for allocation to Bidders with an application size more than ₹ 0.20 million to ₹ 1.00 million and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million 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, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager 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.

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 dematerialized 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. 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (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 Book Running Lead Manager will be required to compensate the concerned investor. The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the Book Running Lead Manager with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with April 20, 2022 Circular.

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 or more 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 RIBs using the UPI.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all Retail individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

### **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 Office 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](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. RIBs are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. 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 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. RIBs 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 RIBs 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 Banks, 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 Banks 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 processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a non-repatriation basis	Green
Anchor Investors	White

*\*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](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))*
- (2) *Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Manager*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details 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 Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

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. 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 Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank.

The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Manager 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. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022 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 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Banks 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 Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

## **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 issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
- c) The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in “offshore transactions” as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales occurs.**

**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 Promoters and members of the Promoter Group of the Company, the Book Running Lead Manager and the Syndicate Members**

The Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the Book Running Lead Manager or any associates of the Book Running Lead Manager (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the Book Running Lead Manager) nor (ii) any “person related to the Promoters/ 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 Promoters/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters 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 Book Running Lead Manager, 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 Book Running Lead Manager.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters 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 Book Running Lead Manager 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 NRIs bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders 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 accept the UPI mandate request (in case of RIBs 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. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

Eligible NRIs intending to apply in the Offer on a repatriation basis cannot apply in the Offer.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Green in colour).

For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 517. 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 reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 Non-Debt 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 derivative instruments is also required to ensure that any transfer of 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. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall 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 in any company should not exceed 25% of the corpus of the VCF.

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. The holding in any company by any individual FVCI or VCF registered with SEBI should not exceed 25% of the corpus of the FVCI or VCF. An FVCI or VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations)

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

**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, the Selling Shareholders or the Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager 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 – RBI (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 bank's paid up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. 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 investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

### **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 Book Running Lead Manager 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 ₹2,50,000 crore or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,000 crore or more but less than ₹2,50,000 crore.*

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 ₹25 crore, 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 Book Running Lead Manager 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 ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, 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 Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager 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 Book Running Lead Manager, 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

#### **Bids by Anchor Investors**

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:

- a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Manager.
- b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹10 crores. 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 ₹100 million.
- 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 will completed on the same day.

- e) Our Company, in consultation with the Book Running Lead Manager, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:
- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million ;
  - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
  - in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million 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 will be made, is required to be made available in the public domain by the Book Running Lead Manager 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) There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.
- i) Neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager (except Mutual Funds sponsored by entities which are associates of the Book Running Lead Manager or insurance companies promoted by entities which are associate of Book Running Lead Manager or AIFs sponsored by the entities which are associate of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and Book Running Lead Manager) could apply in the Offer under the Anchor Investor Portion.
- j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 498.

**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 Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 Draft Red Herring Prospectus, 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 the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or

completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this 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**

### ***Do's:***

1. Check if you are eligible to apply as per the terms of this 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 Investors) have mentioned the correct ASBA Account number if you are not an UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder 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. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary.
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; PAN of the First Bidder is required to be specified in case of joint Bids;
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 which is UPI 2.0 certified by NPCI (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 Banks, 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 Banks 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. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website and is also appearing in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. 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>);
25. Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Manager;
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, a 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 Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
28. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Offer Closing Date.
29. 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](http://www.sebi.gov.in)).
30. Ensure that Anchor Investors submit their Bid cum Application Forms only to the Book Running Lead Manager. 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.
31. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021.
32. UPI Bidders not using the UPI Mechanism, should submit their Bid Cum Application Form directly with SCSBs and not with any other Designated Intermediary
33. Ensure that you have funds equal to Bid Amount in the ASBA Account maintained with the SCSBs. Before submitting the ASBA Forms to any Designated Intermediary.

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 using UPI ID, if you are not a UPI Bidder;
20. 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;
21. Do not Bid for Equity Shares in excess of what is specified for each category;
22. 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 this Red Herring Prospectus;
23. 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;
24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
25. If you are a 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;
26. 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;
27. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
28. 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);
29. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
30. 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
31. 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.



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 83.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

For helpline details of the Book Running Lead Manager 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 83.

### **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 Book Running Lead Manager 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 this 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 1% 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 shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, 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. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

### **Payment into Escrow Account(s) for Anchor Investors**

Our Company, in consultation with the Book Running Lead Manager, 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). 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: “IKIO LIGHTING LIMITED- ANCHOR R”
- (b) In case of Non-Resident Anchor Investors: “IKIO LIGHTING LIMITED- ANCHOR NR ”

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 Banks 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 this Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of Financial Express an English national daily newspaper, and (ii) all editions of Jansatta a Hindi national daily newspaper (Hindi being the regional language of New Delhi, where our Registered 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 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.

### **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.

### **Allotment Advertisement**

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper (Hindi being the regional language of New Delhi, where our Registered Office is located), each with wide circulation.

### **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;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- 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.
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly that, no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, undersubscription etc.
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh Offer Document with SEBI, in the event a decision is taken to proceed with the Offer subsequently.
- 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.
- 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**

The Selling Shareholders specifically undertakes in respect of itself as a 'selling shareholder' and its 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 Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI
- 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;
- 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 Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; 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 Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the Book Running Lead Manager, in accordance with applicable law.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated May 2, 2022, among CDSL, our Company and the Registrar to the Offer
- Tripartite Agreement dated May 2, 2022, among NSDL, our Company and the Registrar to the Offer.

### **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*
- d) 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 ₹ 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.5 crore or with both.

### **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 each Selling Shareholder, 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.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 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 RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded 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. 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. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

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 FDI 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 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 498.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government 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.

### Foreign Exchange Laws

The foreign investment in our Company is governed by, *inter-alia*, the FEMA, as amended, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt 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 the aggregate limit of investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” on pages 503 and 504.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the**

**Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company, our Promoters, our Directors, the Selling Shareholders and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## **SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

### **GENERAL AUTHORITY**

**Article 3:** Where the Act requires that the Company cannot undertake any act or exercise any rights or powers or privilege or authority, unless expressly authorised by its Articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power or privilege and to carry out such transaction as have been permitted by the Act.

### **CAPITAL AND INCREASE AND REDUCTION THEREOF**

**Article 4:** The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.

**Article 5:** The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

- i. Equity Share Capital: with voting rights; and/or with differential rights as to dividend, voting or otherwise; and
- ii. Preference Share Capital.

**Article 6:** The Company, in a general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

**Article 7:** Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

**Article 8:** Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

**Article 9:** On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:-

- (i) 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 purpose of the redemption.
- (ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;
- (iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and
- (iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called “Capital Redemption Reserve Account”, a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if “Capital Redemption Reserve Account” were paid up Share capital of the Company.

**Article 10:** Subject to the provisions of the Act, the Company may issue bonus shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

**Article 11:** The Company may issue any debentures, debenture-stock or other securities at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in a general meeting by a special resolution and subject to the provisions of the Act.

**Article 12:** Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

**Article 13:** Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

**Article 14:** Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel Shares, which 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.

**Article 15:** Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an 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 that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

## **SHARES AND CERTIFICATES**

**Article 16:** The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.

**Article 17:** The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

### **Article 18: Further Issue of Shares**

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued or out of the increased Share capital then, such further Shares shall be offered to:

(a) the persons who at on date specified under the applicable law, are holders of the Equity Shares of the Company, in proportion by sending a letter of offer subject to the conditions set below, as near as circumstances admit, to the capital paid up on those Shares at that date:



(i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him;

(iii) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company; or

(b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law

(b) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner 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 the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.

(c) The notice referred to in sub-clause (a) of clause (i) hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.

(d) Nothing in sub-clause (c) of (i) hereof shall be deemed:

(a) To extend the time within the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.

(e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans include a term 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.

(f) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.

#### **Article 19: Shares at the disposal of the Board**

Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being, the Shares shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or discount, subject to Sections 53 and 54 of the Act, 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 any person or persons the option or right to call for any Shares either at par or premium or discount, subject to Sections 53 and 54 of the Act, 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 the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.

**Article 20:** In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either,

subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

**Article 21:** Any application signed by or on behalf of an applicant for subscription 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 entered on the Register shall, for the purpose of these Articles, be a member.

**Article 22:** 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, in the manner prescribed by the Board.

**Article 23:** Every member or his heirs, executors or administrators, shall pay to the Company the portion 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 shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

**Article 24:**

(i) 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 time 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 the time specified by the law applicable at the time. Every certificate of shares shall be in the form and manner specified in the Articles and 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 of shares to the first named joint holders shall be sufficient delivery to all such holders.

(ii) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(iii) Any two or more joint allottees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.

(iv) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**Article 25:**

(i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall on any Share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The member 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 Debentures of the Company.

(ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “Issued in lieu of Share Certificate No. \_\_\_ subdivided/replaced/on consolidation of Shares”.

(iii) 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, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees in accordance with law applicable at the time and as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

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 provision of this Article shall mutatis mutandis apply to debentures of the Company. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is “DUPLICATE. Issued in lieu of Share Certificate No. \_\_\_” The word “DUPLICATE” shall be stamped or punched in bold letters across the face of the Share certificate.

(iv) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the “Remarks” column.

(v) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.

(vi) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.

(vii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

**Article 26:** If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.

**Article 27:** Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise 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 thereto, in accordance with these Articles, in the person, from time to time, registered as the 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 or the survivor or survivors of them.

**Article 28:** Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.

Article 29: Article 29: The Company shall have the power to buy its own equity shares or specified securities subject to the provisions of Companies Act 2013 or other applicable provisions (if any) of the Act and other applicable laws as applicable at the time of application.

## **COMMISSION AND BROKERAGE**

Article 30: Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at 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 or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act, and such commission may be satisfied in any such manner, including the allotment of the fully or partly paid up Shares or Debentures, as the case may be, as the Board thinks fit and proper.

**Article 31:** Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

## **CALLS**

**Article 32:** The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

**Article 33:** Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

**Article 34:** At least fourteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

**Article 35:** A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

**Article 36:** The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

**Article 37:** A call may be revoked or postponed at the discretion of Board.

**Article 38:** All calls shall be made on a uniform basis on all shares falling under the same class.

**Article 39:** The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

**Article 40:** If any members fails to pay any 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, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member, the Board shall be at liberty to waive payment of any such interest wholly or in part.

**Article 41:** Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

**Article 42:** On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any 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 or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to

have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

**Article 43:** Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

**Article 44:**

(i) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same all or any part of the amounts of his respective Shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.

(ii) No member paying any such sum in advance shall be entitled to 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 this Article shall mutatis mutandis apply to any calls on debentures of the Company.

**LIEN**

**Article 45:**

(i) 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 Shares 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 all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

(ii) Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

**Article 46:** For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**Article 47:** The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

**Article 48:** A member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.

**FORFEITURE OF SHARES**

**Article 49:** If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him 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.

**Article 50:** The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

**Article 51:** If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.

**Article 52:** When any Share shall have been so forfeited, notice of the forfeiture 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. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Article 53:** Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

**Article 54:** Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

**Article 55:** The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

**Article 56:** A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been 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 Shares.

**Article 57:** Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board 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 or to the application of the purchase money, and, after his name has been entered in the Register, 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 exclusively against the Company and no one else.

**Article 58:** Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

## **TRANSFER AND TRANSMISSION OF SHARES**

**Article 59:** The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

**Article 60:** No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. A common form of transfer shall be used. Every instrument of transfer shall be in writing and all provisions of the Act, the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant

provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 88, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

**Article 61:** Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.

**Article 62:** The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members or Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

**Article 63:** Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles and any 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 the time required under the law applicable at that time send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares.

**Article 64:** An application for the registration of a transfer of Shares in the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

**Article 65:** In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but 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.

**Article 66:** Subject to the provisions of Article 87 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 herein under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

**Article 67:** No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

**Article 68:** So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held

by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

**Article 69:** Subject to the provisions of Articles 64, 65 and 87 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female 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 that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks 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 person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as “The Transmission Article”.

**Article 70:** Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

**Article 71:** No fees 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 document.

**Article 72:** The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer 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 of such transfer, and may have entered such notice, referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever refusing or neglecting so to do, though it may have been entered or referred to in some book 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.

## **DEMATERIALISATION OF SECURITIES**

**Article 73:** Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.

**Article 74:** Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.

**Article 75:** Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.

**Article 76:** If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.

**Article 77:** All shares held by a Depository shall be dematerialised and shall be in a fungible form.

(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.



**Article 78:** Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.

**Article 79:** Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

**Article 80:** Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

**Article 81:** The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

**Article 82:** The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in 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 no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege 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 and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".

**Article 83:** The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.

(i) fact of the issue of the warrant.

(ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and

(iii) the date of the issue of the warrant.

**Article 84:** A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

**Article 85:** The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

**Article 86:** The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

**Article 87:** The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

## **NOMINATION BY SECURITY HOLDER**

### **Article 88:**

(i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.

(ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.

(iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) In the case of fully paid up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.

### **Article 89:**

(i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the Share(s); or

(b) to make such transfer of the Share(s) as the deceased Shareholder could have made.

(ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder.

(iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.

(iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled to if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his Share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

## **MEETING OF MEMBERS**

### **Article 90:**

(i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.

(ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

(iii) Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

(v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

**Article 91:** The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the right of voting in regard to the matter, in respect of which the requisition has been made.

**Article 92:** Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

**Article 93:** Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

**Article 94:** Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

**Article 95:** At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than

(i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon

(ii) the declaration of dividend,

(iii) appointment of directors in place of those retiring,

(iv) the appointment of, and fixing the remuneration of, the Auditors,

is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

**Article 96:** The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

**Article 97:** No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

**Article 98:** Subject to the provisions of the Act and these Articles, five (5) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.

**Article 99:** A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

**Article 100:** If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**Article 101:** The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

**Article 102:** No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

**Article 103:** The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, 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.

**Article 104:** At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

**Article 105:** In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member if he is.

**Article 106:** If a poll is demanded as aforesaid, the same shall, subject to Article 108 hereunder, be taken at New Delhi or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

**Article 107:** Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause.

**Article 108:** Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

**Article 109:** The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

## **VOTES OF MEMBERS**

**Article 110:** No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll 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, or has exercised, any right of lien.

**Article 111:** Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

**Article 112:** On a poll taken at a 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.

**Article 113:** A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

**Article 114:** If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

**Article 115:** Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable

provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

**Article 116:** Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

**Article 117:** Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

**Article 118:** An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

**Article 119:** A member, present by proxy, shall be entitled to vote only on a poll.

**Article 120:** The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarised certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the 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 appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

**Article 121:** Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

**Article 122:** A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

**Article 123:** No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

**Article 124:** 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.

**Article 125:**

(i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed 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 authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.

(v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.

(viii) The book containing the minutes of proceedings of general meetings 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 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.

(ix) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company

## **DIRECTORS**

**Article 126:** Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.

The First directors of the Company are:

1. Mr. Hardeep Singh
2. Mrs. Surmeet Kaur

### **Article 127:**

(i) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as “Promoters”), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as “Special Director”) for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.

(ii) The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

(iii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates

Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

**Article 128:** If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as “the Debenture Director”. A Debenture Director may be removed from Office, at any time, by the person or persons 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 required to hold any qualification Share(s) in the Company.

**Article 129:** Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called “the Original Director”) during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

**Article 130:** Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only up to the date of the next Annual General Meeting.

**Article 131:** Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person 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 it had not been vacated by him.

**Article 132:** A director shall not be required to hold any qualification Share(s) in the Company.

**Article 133:**

(i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013 and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or 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, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.

(ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company’s business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.

(iii) 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 either;

- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (b) by way of commission, if the Company, by a special resolution, authorises such payment.



(iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

**Article 134:** The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, 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 for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

**Article 135:** The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

**Article 136:** The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013

**Article 137:** The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

**Article 138:** A director may be or become a director of any other 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 benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

**Article 139:**

(i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.

(ii) Subject to Section 152 of the Act, the directors, liable 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 the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

**Article 140:** A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.

**Article 141:** Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

**Article 142:**

(i) If the place of retiring director is not so filled up and further 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 public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place 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 meetings, unless:-

- (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;
- (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (c) he is not qualified, or is disqualified, for appointment.
- (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or
- (e) Section 162 of the Act is applicable to the case.

**Article 143:** Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

**Article 144:**

(i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected 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.

(ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.

(iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

**Article 145:** The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

**Article 146:** Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

## **MANAGING DIRECTOR**

**Article 147:**

(i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such remuneration and terms and conditions as the Board thinks fit, and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in

profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

**Article 148:** Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

**Article 149:** Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.

**Article 150:** The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio visual means, as may be prescribed, 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 subject to the rules as may be prescribed.

**Article 151:** Not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, 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. Subject to the provisions of section 173(3) meeting may be called at shorter notice.

**Article 152:** Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

**Article 153:** If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.

**Article 154:** A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

**Article 155:** The Board may, from time to time, elect one of their members to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

**Article 156:** Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

**Article 157:** 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 of the Company, are, for the time being, vested in or exercisable by the Board generally.

**Article 158:** applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

**Article 159:** The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

**Article 160:** 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 to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

**Article 161:** All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

**Article 162:**

(i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(vi) 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 in the resolution.

(vii) Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –

(a) is, or could reasonably be regarded as, defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company;.

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in this sub-clause.

(viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be an evidence of the proceedings recorded therein.

**Article 163:** Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

(i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;

(iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;

(iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or 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, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;

(v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;

(vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,

(vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

(viii) 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 and of any differences to arbitration and observe and perform any awards made thereon;

(ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;

(x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

(xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

(xii) 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 whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;

(xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the

profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;

(xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;

(xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising 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 preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend 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 Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and 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 at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.

(xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.

(xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.

(xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;

(xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do 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;

(xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

## **MANAGEMENT**

**Article 164:** The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely

(i) Managing Director, and

(ii) Manager

## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**Article 165:** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

**Article 166:** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

## **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

**Article 167:** Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

## **SEAL**

**Article 168:**

(i) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.

The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable law.

## **DIVIDEND**

**Article 169:** The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them, respectively.

**Article 170:** The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

**Article 171:** Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that :-

(i) if the Company has not provided for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.

**Article 172:** The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

**Article 173:** Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

**Article 174:** All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

**Article 175:** The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or 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 and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.

**Article 176:** Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

**Article 177:** No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or 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 member, all sums of money so due from him to the Company.

**Article 178:** Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

**Article 179:** Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

**Article 180:**

(i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called “the Unpaid Dividend Account of IKIO Lighting Limited”. The Company shall within a period of ninety days of making any transfer of an amount 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 and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act.

**Article 181:** Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

**Article 182:** Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable



to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

## **CAPITALISATION**

### **Article 183:**

(i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the 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 capitalised 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 proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full 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 distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.

(ii) A general meeting may resolve that any surplus moneys arising from the realisation 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 among the members on the footing that they receive the same as capital.

(iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

## **BORROWING POWERS**

**Article 184:** Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

**Article 185:** The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.

**Article 186:** Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

## **ACCOUNTS**

**Article 187:** The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to :-

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

- (ii) all sales and purchases of goods by the Company;
- (iii) the assets and liabilities of the Company;
- (iv) such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

**Article 188:** The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

**Article 189:** The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

**Article 190:** A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

**Article 191:** The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

## **DOCUMENTS AND NOTICES**

### **Article 192:**

(i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.

(ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member 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 the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been 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, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

**Article 193:** A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

**Article 194:** A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

**Article 195:** A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

**Article 196:** Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.

**Article 197:** Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

**Article 198:** Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

**Article 199:** All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

## **WINDING UP**

**Article 200:** The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

## **INDEMNITY AND RESPONSIBILITY**

**Article 201:** Subject to the provisions of the Act, every Director, Secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

**Article 202:** The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## **SECRECY**

### **Article 203:**

(i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.

(ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

## **GENERAL POWER**

### **Article 204:**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material, will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for filing and are also available at the following weblink <https://ikio.in/>. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Corporate Office between 10:00 a.m. to 05:00 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid / Offer Closing Date (except for such agreements executed after the Bid / Offer Closing Date).

#### A. Material Contracts for the Offer

1. Offer Agreement dated September 29, 2022 along with addendum dated May 1, 2023, among our Company, the Selling Shareholders and the Book Running Lead Manager.
2. Registrar Agreement dated September 29, 2022 along with addendum dated May 1, 2023, among our Company, the Selling Shareholders, and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated May 29, 2023 among our Company, Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Members, and the Banker(s) to the Offer.
4. Share Escrow Agreement dated May 01, 2023 among our Company, Selling Shareholders, and the Share Escrow Agent.
5. Syndicate Agreement dated May 29, 2023 among our Company, the Selling Shareholders, the Book Running Lead Manager, the Syndicate Members, and the Registrar to the Offer.
6. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the Registrar to the Offer and the Underwriters.
7. Monitoring Agency Agreement dated April 18, 2023 between our Company and Monitoring Agency.

#### B. Material Documents

1. Certified copies of updated MoA and AoA, updated from time to time.
2. Certificate of incorporation dated March 21, 2016 issued to our Company by the Registrar of Companies, Delhi and Haryana at New Delhi in the name of '*IKIO Lighting Private Limited*'.
3. Fresh certificate of incorporation dated April 18, 2022 issued to our Company by the Registrar of Companies, Delhi and Haryana at New Delhi pursuant to conversion of our Company from a private limited company to a public limited company and consequential change in our name from '*IKIO Lighting Private Limited*' to '*IKIO Lighting Limited*'.
4. Resolutions of the Board of Directors and Shareholders dated September 14, 2022 and September 16, 2022, respectively in relation to the Offer and other related matters.
5. Resolution of the Board for approval for the Offer for Sale by the Selling Shareholders dated September 29, 2022 and May 01, 2023 respectively.
6. Resolution of the Board of Directors dated September 29, 2022 approving the DRHP.
7. Resolution of the Board of Directors dated May 29, 2023, approving the RHP.
8. Consent letter dated September 17, 2022 provided by Hardeep Singh consenting to participate in the Offer for Sale.
9. Consent letters dated September 17, 2022 and April 17, 2023 provided by Surmeet Kaur consenting to participate in the Offer for Sale.

10. Share purchase agreement dated September 10, 2022 between Fine Technologies (India) Private Limited, Hardeep Singh, Surmeet Kaur and IKIO Lighting Limited.
11. Share purchase agreement dated September 10, 2022 between IKIO Solutions Private Limited, Hardeep Singh, Ishween Kaur and IKIO Lighting Limited.
12. Consent dated May 19, 2023 from our Statutory Auditors, namely, BGJC & Associates LLP, Chartered Accounts, to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the RHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their (a) examination report dated May 12, 2023 on the Restated Consolidated Financial Information, (b) report dated April 07, 2023 on the statement of special tax benefits; and such consents has not been withdrawn as on the date of this RHP.
13. The examination report dated May 12, 2023 of our Statutory Auditors on the Restated Consolidated Financial Information, included in this Red Herring Prospectus.
14. The statement of possible special tax benefits on direct taxes and indirect taxes each dated April 07, 2023 from our Statutory Auditors.
15. Consents of our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company and Selling Shareholders as to Indian law, Legal Counsel to the Book Running Lead Manager as to International law, Bankers to our Company, Banker(s) to the Offer, the Book Running Lead Manager, Syndicate Members, and the Registrar to the Offer.
16. Written consent dated May 17, 2023 from Sapient Services Private Limited, an independent consultant, issuing the detailed project report dated May 17, 2023, prepared for our Company, to include their name, as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the Project Report dated May 17, 2023. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.
17. Consent letter dated April 20, 2023 from Frost & Sullivan (India) Private Limited with respect to Report titled “*Assessment of Select High End LED Lighting Market (EMS) in India*”.
18. Report titled “*Assessment of Select High End LED Lighting Market (EMS) in India*” dated April 20, 2023, prepared and issued by Frost & Sullivan (India) Private Limited and commissioned for an agreed fee, exclusively for the purpose of this Offer.
19. Copies of annual reports of our Company for the preceding three Fiscals.
20. Due Diligence Certificate dated September 29, 2022 addressed to SEBI from the Book Running Lead Manager.
21. In principle listing approvals both dated November 02, 2022 issued by BSE and NSE.
22. Tripartite agreement dated May 2, 2022 amongst our Company, NSDL and the Registrar to the Offer.
23. Tripartite agreement dated May 2, 2022 amongst our Company, CDSL and the Registrar to the Offer.
24. SEBI final observation letter dated December 16, 2022.

Any of the contracts or documents mentioned in this 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 notice 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, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines regulations or rules issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

## **SIGNED BY DIRECTOR OF OUR COMPANY**

**Hardeep Singh**

\_\_\_\_\_  
**(Chairman and Managing Director)**

Place: Noida

Date: May 29, 2023

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

## **SIGNED BY DIRECTOR OF OUR COMPANY**

**Surmeet Kaur**

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**(Whole-Time Director)**

Place: Noida

Date: May 29, 2023



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements in this Red Herring Prospectus are true and correct.

## **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sanjeet Singh**

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**(Whole Time Director)**

Place: Noida

Date: May 29, 2023

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India ("SEBI"), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

## **SIGNED BY DIRECTOR OF OUR COMPANY**

**Chandra Shekar Verma**

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**(Independent Director)**

Place: Noida

Date: May 29, 2023

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

## **SIGNED BY DIRECTOR OF OUR COMPANY**

**Kishor Kumar Sansi**

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**(Independent Director)**

Place: New Delhi

Date: May 29, 2023

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India (“SEBI”), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY

**Rohit Singhal**

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**(Independent Director)**

Place: Vatican City (Italy)

Date: May 29, 2023

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines, regulations or rules issued by the Government of India or the guidelines, regulations or rules issued by the Securities and Exchange Board of India ("SEBI"), established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Contracts (Regulation) Act, 1956, as amended, the Securities and Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended, or rules made or the guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

**Subhash Chand Agrawal**

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**(Chief Financial Officer)**

Place: Noida

Date: May 29, 2023

## **DECLARATION BY THE SELLING SHAREHOLDER**

I, Hardeep Singh, hereby confirm and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures or undertaking made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

### **SIGNED BY**

**Hardeep Singh**

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Place: Noida

Date: May 29, 2023

## **DECLARATION BY THE SELLING SHAREHOLDER**

I, Surmeet Kaur, hereby confirm and declare that all statements, disclosures and undertakings specifically made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including any of the statements, disclosures or undertaking made by or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

### **SIGNED BY**

**Surmeet Kaur**

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Place: Noida

Date: May 29, 2023