(*Please scan this QR code to view the Draft Red Herring Prospectus*)

**DRAFT RED HERRING PROSPECTUS**
Dated December 14, 2024
Please read section 32 of the Companies Act, 2013
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
**100% Book Built Offer**

# GNG ELECTRONICS LIMITED

**CORPORATE IDENTITY NUMBER**: U72900MH2006PLC165194

| REGISTERED AND CORPORATE OFFICE | CONTACT PERSON | E-MAIL AND TELEPHONE | WEBSITE |
|---|---|---|---|
| Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India | Sarita Tufani Vishwakarma *Company Secretary and Compliance Officer* | **Email**: compliance@electronicsbazaar.com **Telephone**: +91 22 3123 6588 | www.electronicsbazaar.com |

**OUR PROMOTERS: SHARAD KHANDELWAL, VIDHI SHARAD KHANDELWAL, KAY KAY OVERSEAS CORPORATION AND AMIABLE ELECTRONICS PRIVATE LIMITED**

**DETAILS OF THE OFFER TO PUBLIC**

| TYPE | SIZE OF THE FRESH ISSUE | SIZE OF THE OFFER FOR SALE | TOTAL OFFER SIZE^ | ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs |
|---|---|---|---|---|
| Fresh Issue and Offer for Sale | Up to [●] Equity Shares of face value of ₹2 ("**Equity Shares**") each aggregating up to ₹ 8,250.00 million | Up to 9,700,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million | Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million | This Offer is being made in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 331. For details of share reservation among Qualified Institutional Buyers, Non-Institutional Investors and Retail Individual Investors, see "*Offer Structure*" on page 352. |

**DETAILS OF THE OFFER FOR SALE**

| NAME OF THE SELLING SHAREHOLDERS | TYPE | NUMBER OF EQUITY SHARES OFFERED / AMOUNT | WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*# |
|---|---|---|---|
| Sharad Khandelwal | Promoter Selling Shareholder | Up to 35,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million | 0.28 |
| Vidhi Sharad Khandelwal | Promoter Selling Shareholder | Up to 35,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million | 0.28 |
| Amiable Electronics Private Limited | Promoter Selling Shareholder | Up to 9,630,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million | 3.47 |

* *As certified by our Statutory Auditors, pursuant to their certificate dated December 14, 2024.*
\# *As adjusted for Split of Equity Shares and Bonus Issue.*

**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 the Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price (as determined by our Company, in consultation with the book running lead managers ("**Book Running Lead Managers or BRLMs**"), 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 for the Offer Price*" on page 98, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements specifically made or confirmed by it in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and the Equity Shares offered by it in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assumes no responsibility for any other statements, including, inter alia, any and all of the statements made by or relating to our Company or its business or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**LISTING**

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

**BOOK RUNNING LEAD MANAGERS**

| NAME OF THE BRLM AND LOGO | | CONTACT PERSON | EMAIL AND TELEPHONE |
|---|---|---|---|
| MOTILAL OSWAL INVESTMENT BANKING | **Motilal Oswal Investment Advisors Limited** | Ritu Sharma / Ronak Shah | **E-mail:** gngelectronics.ipo@motilaloswal.com<br>**Telephone**: +91 22 7193 4380 |
| IIFL CAPITAL | **IIFL Capital Services Limited** (*formerly known as IIFL Securities Limited*) | Dhruv Bhavsar / Pawan Kumar Jain | **E-mail:** gngelectronics.ipo@iiflcap.com<br>**Telephone**: +91 22 4646 4728 |
| JM FINANCIAL | **JM Financial Limited** | Prachee Dhuri | **E-mail**: gngelectronics.ipo@jmfl.com<br>**Telephone**: +91 22 6630 3030 |

**REGISTRAR TO THE OFFER**

| | | |
|---|---|---|
| **Bigshare Services Private Limited** | **Contact person:** Vinayak Morbale | **E-mail**: ipo@bigshareonline.com<br>**Telephone**: +91 22 62638200 |

**BID/OFFER PERIOD**

| | | | | | |
|---|---|---|---|---|---|
| **ANCHOR INVESTOR BIDDING DATE** | [●]* | **BID/OFFER OPENS ON** | [●] | **BID/OFFER CLOSES ON** | [●]**# |

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

***Our Company, in consultation with the BRLMs, 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.*

*# The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

*^ Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

**DRAFT RED HERRING PROSPECTUS**
Dated December 14, 2024
Please read section 32 of the Companies Act, 2013
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
**100% Book Built Offer**

# GNG ELECTRONICS LIMITED

Our Company was incorporated as "*GNG Electronics Private Limited*" under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 19, 2006, issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on October 23, 2024, following which the name of our Company was changed to "*GNG Electronics Limited*" and a fresh certificate of incorporation pursuant to change of name under the Companies Act, 2013 was issued by RoC, on November 20, 2024. For further details of change in the Registered Office, see "*History and Certain Corporate Matters-Change in our registered office*" on page 196.

**Registered and Corporate Office**: Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India;
**Telephone:** +91 22 3123 6588; **Contact Person**: Sarita Tufani Vishwakarma , Company Secretary and Compliance Officer;
**E-mail:** compliance@electronicsbazaar.com ; **Website**: www.electronicsbazaar.com; **Corporate Identity Number**: U72900MH2006PLC165194

**OUR PROMOTERS: SHARAD KHANDELWAL, VIDHI SHARAD KHANDELWAL, KAY KAY OVERSEAS CORPORATION AND AMIABLE ELECTRONICS PRIVATE LIMITED**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF GNG ELECTRONICS LIMITED ("COMPANY" OR "ISSUER") 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 OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹ 8,250.00 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 9,700,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION COMPRISING UP TO 35,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY SHARAD KHANDELWAL AGGREGATING UP TO ₹ [●] MILLION, UP TO 35,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY VIDHI SHARAD KHANDELWAL AGGREGATING UP TO ₹ [●] MILLION AND UP TO 9,630,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY AMIABLE ELCTRONICS PRIVATE LIMITED AGGREGATING UP TO ₹ [●] MILLION (COLLECTIVELY, "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**OUR COMPANY, IN CONSULTATION WITH THE BRLMs, MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES THROUGH A PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED IN ACCORDANCE WITH APPLICABLE LAW TO ANY PERSON(S), OF UP TO [●] EQUITY SHARES FOR AN AMOUNT AGGREGATING UP TO ₹ 1,650.00 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT IN LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED MARATHI DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

In case of any revision in 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 unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of one Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Portion**") 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 ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and undersubscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID *(defined hereinafter)* in case of UPI Bidders *(defined hereinafter)* in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 355.

## 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 the Equity Shares is ₹ 2 each. The Offer Price, Floor Price or Cap Price as (as determined by our Company, in consultation with the BRLMs, 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 for the Offer Price*" on page 98, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 25.

## ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements specifically made or confirmed by it in this Draft Red Herring Prospectus solely to the extent of information specifically pertaining to itself and the Equity Shares offered by it in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, inter alia, any and all of the statements made by or relating to our Company or its business or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares, offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 395.

| BOOK RUNNING LEAD MANAGERS | | | REGISTRAR TO THE OFFER |
|---|---|---|---|
| **Motilal Oswal Investment Advisors Limited**<br>Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel,ST Depot, Prabhadevi, Mumbai – 400 025 Maharashtra, India<br>**Telephone**: +91 22 7193 4380<br>**E-mail**: gngelectronics.ipo@motilaloswal.com<br>**Website**: www.motilaloswalgroup.com<br>**Investor grievance e-mail**: moiaplredressal@motilaloswal.com<br>**Contact person**: Ritu Sharma/ Ronak Shah<br>**SEBI registration no.:** INM000011005 | **IIFL Capital Services Limited** (*formerly known as IIFL Securities Limited*)<br>24th Floor, One Lodha Place,<br>Senapati Bapat Marg Lower Parel (West)<br>Mumbai – 400 013, Maharashtra, India<br>**Telephone**: + 91 22 4646 4728<br>**E-mail:** gngelectronics.ipo@iiflcap.com<br>**Website:** www.iiflcap.com<br>**Investor Grievance ID:** ig.ib@iiflcap.com<br>**Contact person:** Dhruv Bhavsar / Pawan Kumar Jain<br>**SEBI Registration No.**: INM000010940 | **JM Financial Limited**<br>7th Floor, Cnergy,<br>Appasaheb Marathe Marg,<br>Prabhadevi, Mumbai – 400 025,<br>Maharashtra, India<br>**Telephone:** +91 22 6630 3030<br>**E-mail:** gngelectronics.ipo@jmfl.com<br>**Website:** www.jmfl.com<br>**Investor grievance E-mail:** grievance.ibd@jmfl.com<br>**Contact person:** Prachee Dhuri<br>**SEBI registration number:** INM000010361 | **Bigshare Services Private Limited**<br>Office No. S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai – 400 093<br>Maharashtra, India<br>**Telephone:** +91 22 62638200<br>**E-mail:** ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Investor Grievance ID:** investor@bigshareonline.com<br>**Contact person:** Vinayak Morbale<br>**SEBI Registration No.:** INR000001385 |

| BID/OFFER PERIOD | |
|---|---|
| **ANCHOR INVESTOR BIDDING DATE** | [●]* |
| **BID/OFFER OPENS ON** | [●] |
| **BID/OFFER CLOSES ON** | [●]**& |

**Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.*
***Our Company, in consultation with the BRLMs, 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.*
*& The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

**TABLE OF CONTENTS**

## SECTION I - GENERAL

## DEFINITIONS AND ABBREVIATIONS

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

*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 Draft 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 Act, the SEBI ICDR Regulations, the SCRA, SCRR, the Depositories Act, 1996 ("**Depositories Act**") or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in "Description of Equity Shares and Terms of the Articles of Association", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "History and Certain Corporate Matters", "Basis for the Offer Price", "Restriction on Foreign Ownership of Indian Securities", "Financial Information" and "Outstanding Litigation and Material Developments" on pages, 377, 105, 112, 191, 196, 98, 375, 229 and 322, respectively, will have the meaning ascribed to such terms in those respective sections.*

### General Terms

| Term | Description |
|---|---|
| Our Company/the Company/the Issuer | GNG Electronics Limited, a company incorporated on October 19, 2006 under the Companies Act, 1956 and having its Registered and Corporate Office at Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India |
| We/us/our | Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries on a consolidated basis |

### Company Related Terms

| Term | Description |
|---|---|
| 1Lattice | Lattice Technologies Private Limited |
| 1Lattice Report | Report titled "*Electronics Refurbishment Industry Report*" dated December 12, 2024 prepared and issued by 1Lattice which has been commissioned by and paid for by our Company pursuant to an engagement letter dated September 11, 2024 entered into with 1Lattice, exclusively for the purposes of the Issue. The 1Lattice Report will be available on the website of our Company at https://www.electronicsbazaar.com/investor from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date |
| AoA/Articles of Association or Articles | The articles of association of our Company, as amended from time to time |
| Audit Committee | Audit committee of our Company, described in "*Our Management-Committees of our Board*" on page 211 |
| Auditors/ Statutory Auditors | The current statutory auditors of our Company, being M/s. Shankarlal Jain & Associates LLP, Chartered Accountants |
| Board/ Board of Directors | The board of directors of our Company, as constituted from time to time. For further information, see "*Our Management- Board of Directors*" on page 206 |
| Bonus Issue | Bonus issue by our Company dated December 5, 2024 in the ratio of 500 Equity Shares of face value of ₹2 for every one Equity Share of face value of ₹2 held by our Shareholders as on December 4, 2024. For further details, please see "*Capital Structure – Equity Share capital history of our Company*" on page 72 |
| Chairperson and Independent Director | The chairperson and independent director of our Company, being Rinku Vikas Arora. For further information, see "*Our Management - Board of Directors*" on page 206 |
| Chief Financial Officer | The chief financial officer of our Company, being Raakesh Jagdish Jhunjhunwala. For further information, see "*Our Management – Key Managerial Personnel and Senior Management*" on page 220 |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, being Sarita Tufani Vishwakarma. For further information, see "*General Information – Company Secretary and Compliance Officer*" and "*Our Management- Brief profiles of our Key Managerial Personnel*" on pages 64 and 220 |
| Corporate Promoter | Amiable Electronics Private Limited |
| CSR Committee/ Corporate Social Responsibility Committee | The corporate social responsibility committee of our Company, described in "*Our Management - Committees of our Board*" on page 211 |
| Director(s) | The director(s) on our Board. For further details, see "*Our Management – Board of Directors*" on page 206 |

| Term | Description |
|---|---|
| Equity Shares | The equity shares of our Company of face value of ₹ 2 each |
| ESOS 2024 | Electronic Bazaar Employees Stock Option Scheme – 2024, as described in "*Capital Structure – Employee Stock Option Plan*" on page 81 |
| Executive Director(s) | Executive director(s) of our Company. For further details of the Executive Director, see "*Our Management –Board of Directors*" on page 206 |
| Group Company | Our group company in accordance with the SEBI ICDR Regulations and the Materiality Policy. For further details, see "*Group Company*" on page 329 |
| Independent Director(s) | Non-executive and independent director(s) of our Company who are eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management - Board of Directors*" on page 206 |
| Individual Promoters | Sharad Khandelwal and Vidhi Sharad Khandelwal |
| KMP/ Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in "*Our Management - Key Managerial Personnel and Senior Management*" on page 220 |
| Managing Director | The managing director of our Company, namely Sharad Khandelwal. For further information, see "*Our Management - Board of Directors*" on page 206 |
| Material Subsidiary | The material subsidiary of our Company, Electronics Bazaar FZC |
| Materiality Policy | The policy adopted by our Board on December 13, 2024, for identification of: (a) outstanding material litigation proceedings; (b) material group company; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus |
| MoA/ Memorandum of Association | The memorandum of association of our Company, as amended from time to time |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Company, described in "*Our Management - Committees of our Board*" on page 211 |
| Non-Executive Non-Independent Director(s) | The non-executive non-independent Directors on our Board, described in "*Our Management – Board of Directors*" on page 206 |
| Promoter Firm | Kay Kay Overseas Corporation |
| Promoter Group | Persons and entities, excluding our Promoters constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 223 |
| Promoters | The promoters of our Company in terms of Regulation 2(1)(oo) of the SEBI ICDR Regulations namely, Sharad Khandelwal, Vidhi Sharad Khandelwal, Amiable Electronics Private Limited and Kay Kay Overseas Corporation |
| Registered and Corporate Office | The registered and corporate office of our Company, situated at Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India |
| Registrar of Companies/RoC | The Registrar of Companies, Maharashtra at Mumbai |
| Restated Consolidated Financial Information | The restated consolidated financial information of our Company and our Subsidiaries ("**Group**") comprising the restated consolidated statements of assets and liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of cash flow and the restated consolidated statements of changes in equity for the six months period ended September 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of material accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time |
| Risk Management Committee | The risk management committee of our Company, described in "*Our Management - Committees of our Board*" on page 211 |
| Split of Equity Shares | Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the authorised share capital of our Company, being 25,000,000 equity shares of ₹ 10 each was split into 125,000,000 Equity Shares of ₹ 2 each, and the issued, subscribed and paid-up equity share capital of our Company, being 38,776 equity shares of ₹ 10 each was split into 193,880 Equity Shares of ₹ 2 each. For further details, please see "*Capital Structure – Equity Share capital history of our Company*" on page 72 |
| Selling Shareholders / Promoter Selling Shareholders | Sharad Khandelwal, Vidhi Sharad Khandelwal and Amiable Electronics Private Limited |
| Senior Management | Our senior management in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as further described in "*Our Management - Key Managerial Personnel and Senior Management*" on page 220 |
| Shareholders | The holders of the Equity Shares from time to time |
| Stakeholders Relationship Committee | The stakeholders' relationship committee of our Company as described in "*Our Management - Committees of our Board*" on page 211 |

| Term | Description |
|---|---|
| Subsidiaries | The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, as described in "*History and Other Corporate Matters – Our Subsidiaries*" on page 201 |

### Offer Related Terms

| Term | Description |
|---|---|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf |
| Acknowledgement Slip | The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form |
| Allot/ Allotment/ Allotted | Unless the context otherwise requires, the allotment of the Equity Shares 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 SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bid/Offer Date |
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Anchor Investor Bidding Date | The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price<br><br>The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs |
| 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 BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations<br><br>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 authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders |
| ASBA Account | A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder |
| ASBA Bidders | All Bidders except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| ASM | Additional Surveillance Measure |
| Banker(s) to the Offer | Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 355 |
| Bid | An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on 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 |

| Term | Description |
|---|---|
| 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 RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires. |
| Bid Lot | [●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹ [●] each thereafter |
| Bid/ Offer Period | Except in relation to Bids by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors<br><br>In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days |
| 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 [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank<br><br>Our Company, in consultation with the BRLMs, 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 be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations |
| Bid/Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper), and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| Book Running Lead Managers/ BRLMs/Managers | The book running lead managers to the Offer namely, Motilal Oswal Investment Advisors Limited, IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) and JM Financial Limited |
| Broker Centres | Broker centres of the Registered Brokers 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. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| CAN/ Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date |
| Cap Price | The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price |
| Cash Escrow and Sponsor Bank(s) Agreement | Agreement to be entered into and amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Bankers to the Offer in accordance with UPI Circulars, for *inter alia*, the appointment of the Banker(s) to the Offer for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |

| Term | Description |
|---|---|
| Client ID | Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account |
| Collecting Depository Participant/ CDP | A depository participant as defined under the Depositories Act, 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 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), issued by SEBI and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time |
| Collecting Registrar and Share Transfer Agents/ CRTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time |
| Cut-off Price | Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band<br><br>Only Retail Individual Investors Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price |
| Demographic Details | Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable |
| Designated CDP Locations | Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time |
| Designated Date | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer |
| Designated Intermediaries | In relation to ASBA Forms submitted by UPI Bidders (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs<br><br>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, Registered Brokers, CDPs and RTAs<br><br>In relation to ASBA Forms submitted by QIBs and NIIs (not using the UPI Mechanism), Designated Intermediaries shall mean SCSBs, Syndicate, sub Syndicate, Registered Brokers, CDPs and CRTAs |
| Designated RTA Locations | Such centres of the RTAs where ASBA Bidders can submit the ASBA Forms (in case of UPI Bidder only ASBA Forms under UPI). The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and as updated from time to time |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time |
| Designated Stock Exchange | [●] |
| Draft Red Herring Prospectus/ DRHP | This draft red herring prospectus dated December 14, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer and includes any addenda or corrigenda thereto |
| Eligible FPI(s) | FPIs that are eligible to participate in this Offer in terms of applicable laws |
| Eligible NRI(s) | A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares |
| Escrow Account(s) | Account(s) to be opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid |
| Escrow and Sponsor Bank(s) Agreement | The agreement to be entered into amongst our Company, the Registrar to the Offer, the BRLMs, the Syndicate Members and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof |
| Escrow Collection Bank(s) | The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●] |

| Term | Description |
|---|---|
| First Bidder | 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, 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 | Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Fresh Issue | The fresh issue of up to [●] Equity Shares of face value of ₹2 each by our Company, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 8,250.00 million. For information, see "*The Offer*" on page 58*.<br><br>* *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus* |
| General Information Document | The General Information Document for investing in public offers, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI, suitably modified and updated pursuant to, among others, the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time |
| GSM | Graded Surveillance Measures |
| Gross Proceeds | The gross proceeds of the Fresh Issue |
| IIFL | IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) |
| JM Financial | JM Financial Limited |
| June 2021 Circular | SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 |
| Monitoring Agency | Monitoring agency appointed pursuant to the Monitoring Agency Agreement, namely [●] |
| Monitoring Agency Agreement | The agreement to be entered into between our Company and the Monitoring Agency prior to filing of the Red Herring Prospectus |
| MO | Motilal Oswal Investment Advisors Limited |
| Mutual Fund Portion | The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹2 each which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Mutual Funds | Mutual funds registered with SEBI under the SEBI Mutual Funds Regulations |
| Net Proceeds | The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For details regarding the use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer – Utilization of Net Proceeds*" on page 84 |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors |
| Non-Institutional Investors/ NIIs | All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹ 0.20 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 face value of ₹2 each which shall be available for allocation to Non-Institutional Investors, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price |
| Non-Resident/NR | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs |
| Offer | The initial public offering of up to [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] each), aggregating up to ₹ [●] million by our Company comprising a Fresh Issue of [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 8,250.00 million, an Offer for Sale of up to 97,00,000 Equity Shares of face value of ₹2 each aggregating to ₹ [●] million by the Selling Shareholders.*<br><br>* *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If* |

| Term | Description |
|---|---|
| | *the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus* |
| Offer Agreement | The agreement dated December 14, 2024 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer |
| Offer for Sale | The offer for sale component of the Offer of up to 9,700,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million, comprising of an offer for sale of up to 35,000 Equity Shares of face value of ₹2 each by Sharad Khandelwal aggregating up to ₹ [●] million, up to 35,000 Equity Shares of face value of ₹2 each by Vidhi Sharad Khandelwal aggregating up to ₹ [●] million and up to 9,630,000 Equity Shares of face value of ₹2 each by Amiable Electronics Private Limited aggregating up to ₹ [●] million |
| Offer Price | ₹ [●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors as determined in accordance with the Book Building Process and determined by our Company, in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus on the Pricing Date. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus<br><br>The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus |
| Offered Shares | Up to 9,700,000 Equity Shares of face value of ₹2 each aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer for Sale component of the Offer |
| Pre-IPO Placement | A further issue of specified securities aggregating up to ₹ 1,650.00 million, through a preferential issue or any other method as may be permitted under applicable law to any person(s), at its discretion, prior to filing of the Red Herring Prospectus with the RoC<br><br>The Fresh Issue size will accordingly be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards the Objects, including general corporate purposes |
| Price Band | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% 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 BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is situated) 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 BRLMs, will finalise the Offer Price |
| Prospectus | The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account Bank(s) | The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●] |
| Public Offer Account(s) | Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date |
| QIB Category/ QIB Portion | The category of the Offer (including the Anchor Investor Portion), being not more than 50% of the Offer, consisting of up to [●] Equity Shares of face value of ₹2 each aggregating to ₹ [●] million, which shall be available for allocation to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price (for Anchor Investors) |
| Qualified Institutional Buyer(s)/ QIB(s)/ QIB Bidder(s) | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| Red Herring Prospectus/ RHP | The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the |

| Term | Description |
|---|---|
| | price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto<br><br>The Bid/Offer Opening Date shall be at least three Working Days after the filing of Red Herring Prospectus with the RoC. The Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto |
| Refund Account(s) | The account(s) opened with the Refund Bank(s), 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 which are a clearing member registered with SEBI under the SEBI BTI Regulations with whom the Refund Account(s) will be opened, in this case being [●] |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI ICDR Master Circular and the SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, and the UPI Circulars, issued by SEBI |
| Registrar Agreement | The agreement dated December 13, 2024 between our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| Registrar to the Offer | Bigshare Services Private Limited |
| Retail Individual Investors(s)/ RII(s) | Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) |
| Retail Portion | The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares of face value of ₹2 each, available for allocation to Retail Individual Investors as per 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)<br><br>QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| SCORES | SEBI Complaints Redressal Mechanism |
| Self-Certified Syndicate Bank(s)/ SCSB(s) | (i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and<br><br>(ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time |
| Share Escrow Agent | The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |
| Share Escrow Agreement | The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Equity Shares being offered by each Selling Shareholder in the Offer for Sale portion of the Offer and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment |
| Specified Locations | Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form |
| Sponsor Bank(s) | The Bankers to the Offer registered with SEBI, which have been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●] |
| Stock Exchanges | Collectively, BSE Limited and National Stock Exchange of India Limited |
| STT | Securities transaction tax |
| Syndicate Agreement | Agreement to be entered into among our Company, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate |
| Syndicate Members | Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, [●] |
| Syndicate/members of the Syndicate | Together, the BRLMs and the Syndicate Members |
| Systemically Important Non-Banking Financial Company/ NBFC-SI | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| Underwriters | [●] |
| Underwriting Agreement | The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date, but prior to filing of the Prospectus with the RoC |
| UPI | Unified Payments Interface, which is an instant payment mechanism, developed by NPCI. |

| Term | Description |
|---|---|
| UPI Bidder(s) | Collectively, individual investors applying as Retail Individual Investors in the Retail Portion and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 0.50 million in the Non-Institutional Portion<br><br>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations) and the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Circulars | The SEBI ICDR Master Circular read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570) dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022, SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, SEBI master circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI circular (SEBI/HO/CFD/TPD1/CIR/P/2023/140) dated August 9, 2023, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, NSE circulars (23/2022) dated July 22, 2022 and (25/2022) dated August 3, 2022, the BSE notices (20220722-30) dated July 22, 2022 and (20220803-40) dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard from time to time |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the UPI Bidders, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders using the UPI Mechanism initiated by the Sponsor Banks to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment |
| UPI Mechanism | The Bidding mechanism that may be used by UPI Bidders to make Bids in the Offer in accordance with UPI Circulars |
| UPI PIN | Password to authenticate UPI transaction |
| Wilful Defaulter | Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Working Day | All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI, including UPI Circulars |

### Conventional and General Terms and Abbreviations

| Term | Description |
|---|---|
| A/c | Account |
| AED | Dirham, official currency of UAE |
| AGM | Annual general meeting |
| AIF | Alternate Investment Fund |
| BSE | BSE Limited |
| Calendar Year or 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 |
| CCI | Competition Commission of India |

| Term | Description |
|---|---|
| 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 |
| CSR | Corporate social responsibility |
| Demat | Dematerialised |
| Depositories Act | Depositories Act, 1996 read with the rules and regulations thereunder |
| Depository or Depositories | NSDL and/or 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 |
| DPDP Act | Digital Personal Data Protection Act, 2023 |
| EGM | Extraordinary general meeting |
| FDI | Foreign direct investment |
| FEMA | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FI | Financial institutions |
| Financial Year, Fiscal, FY/ F.Y. | Period of twelve months ending on March 31 of that particular year, unless stated otherwise |
| FPI(s) | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI |
| GoI / Central Government | Government of India |
| GST | Goods and services tax |
| HUF | Hindu undivided family |
| I.T. Act | Income-tax Act, 1961 |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Ind AS | Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended |
| 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 offer |
| ISO | International Organization for Standards |
| IT | Information technology |
| IT Act | Information Technology Act, 2000 |
| MCA | Ministry of Corporate Affairs, Government of India |
| Mn/ mn | Million |
| MOU | Memorandum of understanding |
| N.A. or NA | Not applicable |
| NACH | National Automated Clearing House |
| NAV | Net asset value |
| NEFT | National electronic fund transfer |
| 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 |
| NRO Account | Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NSDL | National Securities Depository 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/E Ratio | Price/earnings ratio |
| PAN | Permanent account number allotted under the I.T. Act |
| R&D | Research and development |

| Term | Description |
|---|---|
| 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 |
| 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 AIF 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 Master Circular | SEBI ICDR Master Circular - SEBI master circular bearing reference SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, as amended |
| 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 SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| State Government | Government of a state of India. |
| 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. / US | The United States of America |
| USD / U.S.$ | United States Dollars |
| VAT | Value added tax |
| VCFs | Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations (*now repealed*) or the SEBI AIF Regulations, as the case may be |

### Technical and Industry Related Terms

| Term | Description |
|---|---|
| ASEAN | Association of Southeast Asian Nations |
| B | Billion |
| B2B | Business-to-business |
| CPCB | Central Pollution Control Board |
| CAGR | Compound annual growth rate |
| Distributors/ Aggregators | Distributors or aggregators who further distribute the products to retailers, IT Solutions Providers/ Value Added Resellers, System Integrators and provide extended services including but not limited to financial terms, product services and extended warranty |
| E-Tailers | Marketplaces including Amazon, Flipkart, Newegg, Ebay, Backmarket |
| EBITDA (in ₹ million) | EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses |
| EBITDA Margin (%) | EBITDA Margin is computed as EBITDA divided by revenue from operations*100 |
| EPR | Extended Producer Responsibility |
| Gross Margin (in ₹ million) | Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress |
| Gross Margin (% ) | Gross Margin (%) is computed as material margin divided by revenue from operations *100 |
| ICT Devices | Information and communication technology devices are hardware tools used for processing, transmitting and storing digital information. These include: Computers (laptops, desktops, tablets), networking equipment (router, switches), smartphones, peripheral devices (printers, scanners), data storage solutions (external drives and cloud-based drives), servers, mobile workstations and accessories |
| IT Solutions Providers/ Value Added Resellers | Providing IT solutions by integrating hardware, software and services. Providing value added service to customers like facility management, annual maintenance contracts, extended warranty and services including providing in-house engineers in addition to the core products and also providing devices on lease, rental & ‘devise as a service’ services |

| Term | Description |
| --- | --- |
| GDP | Gross Domestic Product |
| GFCF | Gross Fixed Capital Formation |
| ITAD | Information Technology Asset Disposition |
| IMF | International Monetary Fund |
| K | Thousand |
| LEDs | Light-emitting diode |
| MSMEs | Micro, Small and Medium Enterprises |
| M | Million |
| NREP | National Resource Efficiency Policy |
| Net Working Capital (no. of days) | Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities |
| No. of customers served (Nos.) | No. of customers served (Nos.) is calculated as sum of customers invoiced by our Company during the period |
| No. of procurement partners (Nos.) | No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period |
| ONDC | Open Network for Digital Commerce |
| OEM | Original Equipment Manufacturers |
| PAT (in ₹ million) | Restated profit for the year as per Restated Consolidated Financial Information |
| PAT Margin (%) | PAT Margin is calculated as restated profit for the year divided by Revenue from Operation |
| PLI | Performance linked incentives |
| PC | Personal computer |
| PM-DISHA | Pradhan Mantri Gramin Digital Saksharta Abhiyan |
| Property, plant and equipment (Gross) turnover ratio | Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of Property, plant and equipment as per Restated Consolidated Financial Information |
| SDGs | Sustainable Development Goals |
| System Integrators | Bringing together various components of ICT system into a cohesive and fully functional system |
| Rental and Leasing Companies | Companies that give ICT products on operating or financial lease and ‘device as a service’ |
| Revenue from Operations | Revenue from operations as per Restated Consolidated Financial Information |
| RoE (%) | Return on equity is calculated as PAT attributable to the owners of the Company as a % Shareholders’ equity |
| ROCE (%) | ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings |
| T | Trillion |
| TAT | Turnaround Time |
| UMANG | Unified Mobile Application for New-age Governance |
| UN | United Nations |
| Volume of devices refurbished (Nos.) | Volume of devices refurbished (Nos.) is calculated as sum of total numbers of ICT devices refurbished by our Company during the period |
| WEEE | Waste Electrical and Electronic Equipment |
| Y-o-Y | Year-on-year |

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

### Certain Conventions

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

All references herein to the:

(i) "US", "USA", the "U.S." or the "United States" are to the United States of America and its territories and possessions; and

(ii) "UAE" are to the United Arab Emirates and its territories and possessions.

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

### Financial Data

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 or fiscal 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. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Subsidiaries and Group Company are derived from their respective audited financial statements.

Unless indicated otherwise or the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 229

The restated consolidated financial information of our Company and our Subsidiaries ("**Group**") comprising the restated consolidated statements of assets and liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), which includes the Group's share of loss in its associate, the restated consolidated statements of cash flow and the restated consolidated statements of changes in equity for the six months period ended September 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the summary of material accounting policies and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. 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 Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition*" on page 52. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 25, 169 and 295, respectively, and elsewhere in this Draft Red Herring

Prospectus, unless otherwise stated or context requires otherwise, have been derived from Restated Consolidated Financial Information or non-GAAP financial measures as described below.

**Non-GAAP Financial Measures**

Certain measures included in this Draft Red Herring Prospectus, for instance Gross Margin, EBITDA, EBITDA Margin, RoE, ROCE, Net Worth and Net Working Capital (the **"Non-GAAP Measures''**), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or US GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or US GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. Further, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and 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 Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Non-GAAP Financial Measures*" on page 295.

**Industry and Market Data**

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the report titled "*Electronics Refurbishment Industry Report*" dated December 12, 2024, prepared by 1Lattice, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to the engagement letter dated September 11, 2024. The 1Lattice Report is available on the website of our Company at the following web-link: https://www.electronicsbazaar.com/investor until the Bid / Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the 1Lattice Report and included in this Draft Red Herring Prospectus with respect to any particular year, refers to such information for the relevant calendar year. 1Lattice is an independent agency which has no relationship with our Company, Promoters, Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. The excerpts of the Industry Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks."* on page 49. Accordingly, no investment decision should be solely made on the basis of such information.

In accordance with the disclosure requirements under the SEBI ICDR Regulations, *"Basis for the Offer Price"* on page 98 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified therein.

**Currency and Units of Presentation**

All references to:

- "Rupees" or "INR" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India;

- “U.S $”, “U.S. Dollar”, “USD” are to United States Dollars, the official currency of the United States of America; and

- “AED” is to Dirham, the official currency of the United Arab Emirates.

All the figures in this Draft Red Herring Prospectus, except for figures derived from the 1Lattice Report (which are in million or billion), 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 Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. 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 Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

**Time**

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

**Exchange Rates**

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such 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 ₹ and certain currencies:

*(in ₹)*

| Currency | As at | | | |
|---|---|---|---|---|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| 1 USD | 83.76 | 83.34 | 82.11 | 75.90 |
| 1 AED | 22.81 | 22.69 | 22.36 | 20.67 |

*Source: Reference Rate as available on https://www.oanda.com/bvi-en/*

*Note: The exchange rates are rounded off to two decimal places and in case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered. Exchange rate is rounded off to two decimal points.*

## FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

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

1. As of six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.59%, 67.87%, 79.97% and 89.12%, respectively, of our operational revenue from only sale of laptops and therefore its continued success is necessary for our business and prospects. Any decline in the demand for such product could have an adverse impact on our business, revenue and profitability.

2. Increase in the prices of parts and materials essential for our operations could negatively impact our business and financial performance. Furthermore, our ability to procure these parts and materials has been affected by price fluctuations in the past and may continue to be impacted by such fluctuations in the future.

3. We depend on our sales network for the distribution of our products. Any disruption in such network could adversely affect our business and results of operations.

4. Our revenue generated from outside India accounts for a significant portion of our revenues. As of six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.65%, 57.97%, 50.53% and 40.20%, respectively, of our revenue from outside India. Any failure to manage our business in overseas markets or our inability to grow our business in new geographic markets may affect our growth, which could have a material adverse effect on our business, operations, prospects or financial condition.

5. A substantial portion of our revenues is dependent on our top 10 customers. In Fiscal 2024, we derived 55.77% of our revenue from our top 10 customers. The loss of any of these customers will adversely affect our revenues and profitability.

6. We depend on a limited number of suppliers for our inventory. Any interruption in the availability of inventory could adversely impact our operations. Further, any failure by our suppliers to provide inventory to us on time or at all, or as per our specifications and quality standards could have an adverse impact on our ability to meet our delivery schedules.

7. Our operations are concentrated in certain jurisdictions, such as India, Middle East and USA and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition.

8. Our business depends on the reputation and perception of our brand. Any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition and maintain quality standards may materially and adversely affect our reputation, business, results of operations and financial condition.

9. There are outstanding legal proceedings involving our Company, Subsidiaries, Promoters, and Directors which could have an adverse effect on our business, financial condition and results of operations.

10. Our Company’s business model is highly dependent on a reliable and efficient supply chain for the procurement of used laptops, components and other materials necessary for the refurbishment process. Any disruption in this supply chain could have a significant negative impact on the Company’s operations, production schedules, and financial performance.

For a further discussion of factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 25, 169 and 295, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate and the forward looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors nor the members of the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permissions by the Stock Exchanges.

## SUMMARY OF THE OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections "Risk Factors", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Restated Consolidated Financial Information", "Objects of the Offer", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Outstanding Litigation and Material Developments" on pages 25, 169, 112, 72, 58, 229, 84, 295, 322, respectively of this Draft Red Herring Prospectus.*

### Primary business of our Company

We are India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa and UAE, in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). We operate under the brand "*Electronics Bazaar*", with presence across the full refurbishment value chain *i.e.*, from sourcing to refurbishment to sales, to after – sale services and providing warranty. We solve customers' requirement of affordable, reliable and premium ICT Devices which are as good as new devices, both functionally and aesthetically, and are backed by proven warranty. We also provide tailor – made solutions for our customers. We offer other value – added services such as IT asset disposition ("**ITAD**") and e – waste management services, warranties, doorstep service on – site installation, flexible pay options, easy upgrades, assured buyback programmes and buyback programmes for refurbished ICT Devices**.**

For further information, see *"Our Business"* beginning on page 169.

### Summary of industry in which our Company operates

According to the 1Lattice report, the global refurbished PCs market grew from US$ 9.7B in CY18 to US$ 14.4B in CY23, reflecting an 8% CAGR, & is expected to grow at 22% over CY23-28 reaching US$ 38.3B. The PC refurbishment market in India has demonstrated steady growth, rising from approximately US$ 0.2 B in FY19 to ~US$ 0.8B in FY24, at 27% CAGR. It is projected to reach ~US$ 3.3B by FY29, reflecting a CAGR of 33% from FY24 to FY29. Increasing consumer acceptance of refurbished PCs has been a key driver, as these devices provide a near-new experience at a lower price point. Organized players, backed by OEM-certified programs and robust warranties, are strategically positioned to leverage these trends, driving continued expansion within the market.

For further information, see "*Industry Overview*" beginning on page 112.

### Our Promoters

Sharad Khandelwal, Vidhi Sharad Khandelwal, Kay Kay Overseas Corporation and Amiable Electronics Private Limited.

For further information, see "*Our Promoters and Promoter Group*" on page 223.

### The Offer

The following table summarizes the details of the Offer:

| | |
|---|---|
| **Offer**(1) | Up to [●] Equity Shares of face value of ₹2 each for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] million |
| ***Of which*** | |
| **Fresh Issue**(1)^ | Up to [●] Equity Shares of face value of ₹2 each aggregating up to ₹ 8,250.00 million |
| **Offer for Sale**(2) | Up to 9,700,000 Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million |

(1) *The Offer has been authorized pursuant to the resolution passed by our Board dated December 4, 2024 and the Fresh Issue has been authorized by our Shareholders pursuant to a special resolution passed on December 5, 2024.*

(2) *Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Offered Shares are eligible for being offered for sale in terms of Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, consented to the sale of its portion of the Offered Shares in the Offer for Sale. For further details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 331.*

^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹1,650.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company. For further details, see "*The Offer*" and "*Offer Structure*" on pages 58 and 352, respectively.

**Objects of the Offer**

The Net Proceeds are proposed to be utilised towards the following objects:

*(in ₹ million)*

| Particulars | Estimated amount^ |
|---|---|
| Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Material Subsidiary | 3,200.00 |
| Funding the working capital requirements of our Company | 2,600.00 |
| General corporate purposes(1)^ | [●] |
| **Net Proceeds** | **[●]** |

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

^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹1,650.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

For further information, see "*Objects of the Offer*" on page 84.

**Aggregate pre-Offer and post-Offer shareholding of our Promoters, the members of our Promoter Group and the Selling Shareholders**

The aggregate pre-Offer shareholding of our Promoters, the members of our Promoter Group and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is set out below:

| S. No. | Name of the Shareholder* | Pre-Offer equity share capital | |
|---|---|---|---|
| | | No. of equity shares of face value of ₹2 | % of paid-up equity share capital |
| **Promoters*^** | | | |
| 1. | Sharad Khandelwal | 17,965,860 | 18.50 |
| 2. | Vidhi Sharad Khandelwal | 17,970,870 | 18.50 |
| 3. | Amiable Electronics Private Limited | 55,651,080 | 57.29 |
| **Sub-total (A)** | | **91,587,810** | **94.29** |
| **Promoter Group**** | | | |
| 1. | Vivek Khandelwal | 693,885 | 0.71 |
| 2. | Pramila Khandelwal | 2,505 | Negligible |
| 3. | Karuna Rajendra Ringshia | 2,505 | Negligible |
| **Sub-total (B)** | | **698,895** | **0.71** |
| **Total (A+B)** | | **92,286,705** | **95.01** |

* *Kay Kay Overseas Corporation does not hold any Equity Shares.*

^ *Promoter Selling Shareholders.*

** *None of our other members of the Promoter Group hold any Equity Shares.*

For further information, see *"Capital Structure"* beginning on page 72.

**Summary of selected financial information**

The details of certain financial information as set out under the SEBI ICDR Regulations as at six months period ended September 30, 2024 and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, as derived from the Restated Consolidated Financial Information are set forth below:

*(₹ in million, except per share data)*

| Particulars | As at and for the | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Equity share capital | 0.39 | 0.39 | 0.39 | 0.39 |
| Total equity | 1,981.54 | 1,635.80 | 1,118.26 | 794.89 |
| Net worth(1) | 1,976.06 | 1,631.41 | 1,115.95 | 793.57 |
| Revenue from operations | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |

| Particulars | As at and for the | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Restated profit for the year | 352.12 | 523.05 | 324.28 | 217.70 |
| Earnings per Equity Share (of face value of ₹ 2 each) | | | | |
| - Basic(2)(4) | 3.61* | 5.37 | 3.33 | 2.24 |
| - Diluted(3)(4) | 3.61* | 5.37 | 3.33 | 2.24 |
| Net Asset Value per Equity Share(5) | 20.34 | 16.80 | 11.49 | 8.17 |
| Total borrowings(6) | 4,989.69 | 3,223.33 | 1,520.22 | 1,002.67 |

**Not annualised.*

*Notes:*

*(1) Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, 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 as at period /year end, as per restated financial statement of assets and liabilities of the Company excluding non-controlling interest.*

*(2) Earnings per Equity Share (Basic) = Restated profit for the period/year attributable to the equity holders of our Company/Weighted average number of equity shares outstanding during the period/year.*

*(3) Earnings per Equity Share (Diluted) = Restated profit for the period/year attributable to equity holders of our Company/Weighted average number of equity shares outstanding during the period/year considered for deriving basic earnings per share and the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.*

*(4) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'. The Split of Equity Shares and Bonus Issue are retrospectively considered for the computation of weighted average number of equity shares outstanding during the period, in accordance with Ind AS 33.*

*(5) Net Asset Value per equity share is calculated as restated net worth for the year/ period attributable to owners of the Company / weighted average number of equity shares for the year/ period.*

*(6) Total borrowings is computed as current borrowings (including current maturities of non-current borrowings) plus non-current borrowings.*

For further details, see "*Restated Consolidated Financial Information*" on page 229.

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

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Consolidated Financial Information.

**Summary of outstanding litigations**

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Directors, our Promoters and our Group Company in accordance with the SEBI ICDR Regulations and the Materiality Policy as on the date of this Draft 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) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By the Company | 19 | NA | NA | NA | Nil | 5.92 |
| Against the Company | Nil | 7 | Nil | NA | Nil | 109.04 |
| **Directors (Other than our Promoters)** | | | | | | |
| By our Directors | Nil | NA | NA | NA | Nil | Nil |
| Against the Directors | Nil | 1 | Nil | NA | Nil | 0.78 |
| **Promoters** | | | | | | |
| By Promoters | Nil | NA | NA | NA | Nil | Nil |
| Against Promoters | Nil | 2 | Nil | Nil | Nil | 2.12 |
| **Subsidiaries** | | | | | | |
| By Subsidiaries | Nil | NA | NA | NA | Nil | Nil |
| Against Subsidiaries | Nil | Nil | Nil | NA | Nil | Nil |

* *To the extent quantifiable.*

\# *In accordance with the Materiality Policy.*

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

For further details, see "*Outstanding Litigation and Material Developments*" on page 322.

**Risk Factors**

Specific attention of Bidders is invited to the section "*Risk Factors*" on page 25. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. Set forth below are the top 10 risk factors applicable to our Company:

| Sr. No | Description of top 10 risk factors |
|---|---|
| 1. | As of six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.59%, 67.87%, 79.97% and 89.12%, respectively, of our operational revenue from only sale of laptops and therefore its continued success is necessary for our business and prospects. Any decline in the demand for such product could have an adverse impact on our business, revenue and profitability. |
| 2. | Increase in the prices of parts and materials essential for our operations could negatively impact our business and financial performance. Furthermore, our ability to procure these parts and materials has been affected by price fluctuations in the past and may continue to be impacted by such fluctuations in the future. |
| 3. | We depend on our sales network for the distribution of our products. Any disruption in such network could adversely affect our business and results of operations. |
| 4. | Our revenue generated from outside India accounts for a significant portion of our revenues. As of six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.65%, 57.97%, 50.53% and 40.20%, respectively, of our revenue from outside India. Any failure to manage our business in overseas markets or our inability to grow our business in new geographic markets may affect our growth, which could have a material adverse effect on our business, operations, prospects or financial condition. |
| 5. | A substantial portion of our revenues is dependent on our top 10 customers. In Fiscal 2024, we derived 55.77% of our revenue from our top 10 customers. The loss of any of these customers will adversely affect our revenues and profitability. |
| 6. | We depend on a limited number of suppliers for our inventory. Any interruption in the availability of inventory could adversely impact our operations. Further, any failure by our suppliers to provide inventory to us on time or at all, or as per our specifications and quality standards could have an adverse impact on our ability to meet our delivery schedules. |
| 7. | Our operations are concentrated in certain jurisdictions, such as India, Middle East and USA and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition. |
| 8. | Our business depends on the reputation and perception of our brand. Any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition and maintain quality standards may materially and adversely affect our reputation, business, results of operations and financial condition. |
| 9. | There are outstanding legal proceedings involving our Company, Subsidiaries, Promoters, and Directors which could have an adverse effect on our business, financial condition and results of operations. |
| 10. | Our Company's business model is highly dependent on a reliable and efficient supply chain for the procurement of used laptops, components and other materials necessary for the refurbishment process. Any disruption in this supply chain could have a significant negative impact on the Company's operations, production schedules, and financial performance. |

For further information, see *"Risk Factors"* beginning on page 25.

**Summary of contingent liabilities**

The following is a summary table of our contingent liabilities as at September 30, 2024, as indicated in the Restated Consolidated Financial Information:

*(₹ in million)*

| Particulars | Amount as at September 30, 2024 |
|---|---|
| Income tax (CIT Appeals) | 0.57 |
| GST (ACST Appeals) | 108.47 |

For details, see "*Restated Consolidated Financial Information – Note 44. Contingent liabilities*" on page 285.

**Summary of related party transactions**

The summary of related party transactions, as per the requirements under Ind AS 24 – Related Party Disclosures, entered into by us for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, as derived from the Restated Consolidated Financial Information are as set out in the table below:

*(₹ in million)*

| Sr. No | Particulars | Nature of Transactions | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| 1 | Kay Kay Overseas Corporation | Sales | 5.27 | 0.73 | 10.36 | 31.23 |
| | | Purchase | 730.54 | 454.49 | 541.17 | 260.44 |
| 2 | R2 Venture | Sales | 0.02 | Nil | Nil | 0.31 |
| | | Purchase | 23.78 | 40.37 | 19.11 | 32.14 |
| 3 | Electronics Bazaar Inc | Sales | 1,092.41 | 1,298.72 | 476.35 | 0.28 |
| | | Purchase | 890.57 | 1,661.70 | 669.12 | Nil |

| Sr. No | Particulars | Nature of Transactions | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| | | Foreign exchange Gain/(Loss) | 0.00 | 0.42 | Nil | Nil |
| 4 | Amiable Electronics Private Limited | Sales | 0.52 | 0.87 | Nil | Nil |
| | | Purchase | 218.95 | Nil | Nil | Nil |
| 5 | RR Enterprise | Sales | 93.02 | 589.90 | 85.95 | 107.40 |
| | | Purchase | 27.66 | 565.18 | 418.37 | 287.98 |
| 6 | Sharad Khandelwal | Managerial Remuneration | Nil | 6.00 | 6.00 | Nil |
| 7 | Vidhi Sharad Khandelwal | Managerial Remuneration | Nil | 6.00 | 6.00 | Nil |
| 8 | Amit Midha | Unsecured loan | 585.62 | Nil | Nil | Nil |

For details of the related party transactions and the related party transaction eliminated on consolidation, as per the requirements under Ind AS 24 '*Related Party Disclosures'* read with the SEBI ICDR Regulation for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, see *"Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24"* on page 273.

**Financing arrangements**

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under Companies Act, 2013) have financed the purchase by any other person of securities of our Company (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 Draft Red Herring Prospectus.

**Weighted average price at which the specified securities were acquired by our Promoter and the Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus**

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the last one year is given below:

| Name of the Promoter*^ | Number of Equity Shares of face value of ₹ 2 acquired in last one year preceding the date of this DRHP | Weighted average price of acquisition per Equity Shares (in ₹)**# |
|---|---|---|
| Sharad Khandelwal | 17,930,000 | Nil# |
| Vidhi Sharad Khandelwal | 17,935,000 | Nil# |
| Amiable Electronics Private Limited | 55,540,000 | Nil# |

* *Kay Kay Overseas Corporation does not hold any Equity Shares.*
** *As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
^ *Also Promoter Selling Shareholders.*
# *Equity Shares of face value of ₹ 2 each acquired by way of the Bonus Issue.*

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

| Period | Weighted average cost of acquisition (in ₹)*#% | Cap Price is 'x' times the weighted average cost of acquisition** | Range of acquisition price per Equity Share of face value of ₹2: lowest price – highest price (in ₹)*# |
|---|---|---|---|
| Last one year preceding the date of this Draft Red Herring Prospectus | Nil | [●] | N.A. |
| Last 18 months preceding the date of this Draft Red Herring Prospectus | Nil | [●] | N.A. |
| Last three years preceding the date of this Draft Red Herring Prospectus | 0.79 | [●] | Nil – 20,451.40 |

* *As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
** *To be updated in the Prospectus.*
# *As adjusted for Split of Equity Shares and Bonus Issue.*
% *Computed based on the Equity Shares acquired/allotted/purchased (including acquisition pursuant to transfer by way of gift and bonus issue).*

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

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

| Name of Promoter*^ | Number of Equity Shares held of face value of ₹ 2 | Average cost per Equity Share of face values of ₹ 2**# (₹) |
|---|---|---|
| Sharad Khandelwal | 17,965,860 | 0.28 |
| Vidhi Sharad Khandelwal | 17,970,870 | 0.28 |
| Amiable Electronics Private Limited | 55,651,080 | 3.47 |

* *Kay Kay Overseas Corporation does not hold any Equity Shares.*
** *As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
\# *As adjusted for Split of Equity Shares and Bonus Issue.*
^ *Also Promoter Selling Shareholders.*

**Details of price at which specified securities were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with the right to nominate Directors or any other special rights in the three years preceding the date of this Red Herring Prospectus**

Except as stated below, none of our Promoters and members of our Promoter Group, Selling Shareholders have acquired any specified securities in the three years immediately preceding the date of this Draft Red Herring Prospectus:

| Name of Shareholder | Date of acquisition | Number of equity shares acquired | Face value (₹) | Acquisition price per Equity Share (in ₹)* |
|---|---|---|---|---|
| Pramila Khandelwal** | September 27, 2024 | 1 | 10 | Nil*** |
| | December 5, 2024 | 2,500 | 2 | Nil^ |
| Karuna Rajendra Ringshia** | September 27, 2024 | 1 | 10 | Nil*** |
| | December 5, 2024 | 2,500 | 2 | Nil^ |
| Vivek Khandelwal** | December 5, 2024 | 692,500 | 2 | Nil^ |
| Sharad Khandelwal# | December 5, 2024 | 17,930,000 | 2 | Nil^ |
| Vidhi Sharad Khandelwal# | December 5, 2024 | 17,935,000 | 2 | Nil^ |
| Amiable Electronics Private Limited# | December 5, 2024 | 55,540,000 | 2 | Nil^ |

* *As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
** *Members of Promoter Group.*
*** *Acquisition by way of gift.*
\# *Also a Promoter Selling Shareholder*
^ *Acquisition by way of bonus shares.*

There are no Shareholders with right to nominate directors or other special rights.

**Details of pre-IPO placement**

Our Company, in consultation with the BRLMs, may consider further issue of Equity Shares, through a preferential issue or any other method as may be permitted under the applicable law to any person(s) for an amount aggregating up to ₹ 1,650.00 million ("**Pre-IPO Placement**"), prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

**Issue of equity shares of our Company for consideration other than cash in the last one year**

Except as disclosed below, our Company has not issued any equity shares of our Company for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

| Date of allotment | Reason/particulars of allotment/ split of equity shares | Names of allottees | No. of equity shares allotted | Face value (₹) | Issue price per equity share (₹) | Form of consideration |
|---|---|---|---|---|---|---|
| December 5, 2024 | Bonus issue in the ratio of 500 Equity Shares for every 1 Equity Share held | 17,930,000 Equity Shares were allotted to Sharad Khandelwal, 17,935,000 Equity Shares were allotted to Vidhi Sharad Khandelwal, 55,540,000 Equity Shares were allotted to Amiable | 96,940,000 | 2 | - | N.A. |

| Date of allotment | Reason/particulars of allotment/ split of equity shares | Names of allottees | No. of equity shares allotted | Face value (₹) | Issue price per equity share (₹) | Form of consideration |
|---|---|---|---|---|---|---|
| | | Electronics Private Limited, 692,500 Equity Shares were allotted to Vivek Khandelwal, 4,837,500 Equity Shares were allotted to Amit Midha, 2,500 Equity Shares were allotted to Pramila Khandelwal and 2,500 Equity Shares were allotted to Karuna Rajendra Ringshia | | | | |

**Split or consolidation of equity shares in the last one year**

Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the authorised share capital of our Company, being 25,000,000 equity shares of ₹ 10 each was split into 125,000,000 Equity Shares of ₹ 2 each, and the issued, subscribed and paid-up equity share capital of our Company, being 38,776 equity shares of ₹ 10 each was split into 193,880 Equity Shares of ₹ 2 each. For further details, please see "*Capital Structure – Equity Share capital history of our Company*" on page 72.

**Exemption from complying with any provisions of securities laws, if any, granted by the SEBI**

Our Company has not applied for or received any exemption by SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION II - RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our Equity Shares.*

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks 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 our 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" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 169, 112, 191 and 295, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the 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 Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 16.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 229.*

*Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled "Electronics Refurbishment Industry Report" dated December 12, 2024, prepared and issued by 1Lattice (the "**1Lattice Report**"), commissioned by and paid for by our Company. The 1Lattice Report has been prepared and issued by 1Lattice for the purpose of understanding the industry exclusively in connection with the Offer and will be available on the website of our Company at https://www.electronicsbazaar.com/investor from the date of filing of this Draft Red Herring Prospectus. Unless otherwise indicated, all financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

### INTERNAL RISKS

1. ***As of six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.59%, 67.87%, 79.97% and 89.12%, respectively, of our operational revenue from only sales of laptops and therefore its continued success is necessary for our business and prospects. Any decline in the demand for such product may have an adverse impact on our business, revenue and profitability.***

   We offer refurbished and other categories of ICT Devices such as laptops, desktops, tablets, servers, premium smart phones, mobile workstations and accessories. The revenue from the sale of laptops and sale of other categories of refurbished ICT Devices for six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are set out in the table below.

*(₹ million, unless otherwise stated)*

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operation | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations |
| Revenue from sale of laptops | 4,595.38 | 75.59 | 7,724.16 | 67.87 | 5,274.58 | 79.97 | 4,638.83 | 89.12 |
| Revenue from others* | 1,484.24 | 24.41 | 3,657.22 | 32.13 | 1,320.84 | 20.03 | 566.12 | 10.88 |

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operation | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations |
| **Total revenue from operations** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **6,595.42** | **100.00** | **5,204.95** | **100.00** |

* *Includes desktops, tablets, servers, premium smart phones, mobile workstations and accessories.*

Accordingly, our business depends substantially upon our ability to generate revenue from sale of laptops. If the demand for usage of laptops is reduced or it takes longer to develop, it may impact our revenues to decline and we may be unable to sustain our profitability. While we have not faced any instances of lack of demand for laptops in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that going forward we may be subjected to such risk. The significant dependency on our revenue for operations from sale of laptops may make the results of our operations more volatile, which would have an adverse impact on our business, revenue and profitability.

2. ***Increase in the prices of parts and materials essential for our operations may negatively impact our business and financial performance. Furthermore, our ability to procure these parts and materials has been affected by price fluctuations in the past and may continue to be impacted by such fluctuations in the future.***

We source parts and materials such as hard drives and random access memory for our operations from a combination of domestic and foreign suppliers. Any restrictions, either from the central or state/provincial governments or from any other authorized bilateral or multilateral organizations, including any export duties or export restriction by the exporting country on imports of inventory, may adversely affect our business, results of operations, cash flows and profitability.

The table below sets forth the total cost of materials consumed as a percentage of our total expenses for the periods indicated:

*(₹ million, unless otherwise stated)*

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of total expenses | Amount | Percentage of total expenses | Amount | Percentage of total expenses | Amount | Percentage of total expenses |
| Total cost of materials consumed | 5,053.40 | 88.09% | 9,979.86 | 91.86% | 5,583.97 | 89.01% | 4,588.44 | 92.20% |
| Total expenses | 5,736.39 | - | 10,864.74 | - | 6,273.67 | - | 4,976.74 | - |

The table below sets forth the percentage of parts and materials sourced from India and outside India for the periods indicated:

*(₹ million, unless otherwise stated)*

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of total purchases | Amount | Percentage of total purchases | Amount | Percentage of total purchases | Amount | Percentage of total purchases |
| Purchase of parts and materials sourced from India | 3,867.67 | 67.59 | 5,993.87 | 50.91 | 4,280.77 | 73.72 | 3,412.96 | 71.42 |
| Purchase of parts and materials sourced from outside India | 1,854.81 | 32.41 | 5,778.66 | 49.09 | 1,525.77 | 26.28 | 1,365.70 | 28.58 |
| **Total purchases** | **5,722.48** | **100.00** | **11,772.53** | **100.00** | **5,806.54** | **100.00** | **4,778.67** | **100.00** |

Other factors such as tariffs and economic or political conditions of the countries where we procure supplies from may also result in increases in costs of parts and materials, which could increase our production and delivery costs and reduce our margins. We cannot assure you that there will not be any action by the relevant authorities imposing import duties, export duties or similar tariffs in the future. Any such imposition will result in an increase in our input costs for our business. If we are unable to find alternative sources to procure inventory or equipment on favourable terms (in a timely manner or at all) or if any increased costs cannot be passed on to our customers, our margins will correspondingly decrease. We have not witnessed any such instance in the six-month period ended September 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, which resulted in the increase of costs. However, the occurrence of such instances may adversely impact our results of operations and business prospects.

3. ***We depend on our sales network for the distribution of our products. Any disruption in such network may adversely affect our business and results of operations.***

We have a multi-channel sales network, with our products being sold in 35 countries and our sales network comprising 3,265 touchpoints in India and globally, as of six months period ended September 30, 2024. These touchpoints include sale of ICT Devices through IT Solutions Providers / Value Added Resellers, System Integrators, E-Tailers, Rental and Leasing Companies and Distributors/Aggregators.

Our success depends on our ability to build and maintain relationships with our sales network and the frequency with which they place orders with us. As our partners have day-to-day contact with customers, we are exposed to the risk of these partners failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect our customers' perception of our brand and products. Further, we have no exclusivity arrangements with our partners and they may prioritise the distribution of the products of our competitors over ours, and we may not be able to meet our demand forecasts which may have an adverse impact on our operations. While we have not faced any such instances in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, in the event we fail to engage adequate partners, or fail to establish relationships with our partners, our sales volumes may be affected which may have an adverse effect on our business and results of operation.

Our relationship with these customers depends to an extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. Our failure to increase our customer base and onboarding partners, to secure repeat orders from existing customers and partners, or to get our products approved for use in the future may cause our sales volume to decline which in turn may have an adverse effect on our business, results of operations and financial condition.

4. ***Our revenue generated from outside India accounts for a significant portion of our revenue from operations. As of six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived 75.65%, 57.97%, 50.53% and 40.20%, respectively, of our revenue from outside India. Any failure to manage our business in overseas markets or our inability to grow our business in new geographic markets may affect our growth, which may have a material adverse effect on our business, operations, prospects or financial condition.***

As of September 30, 2024, we cater to the global market by exporting our products to 35 countries in North America, South America, Asia, Asia – Pacific, Europe, Africa and Middle East.

The table set forth below provides geographical breakdown of our revenue from operations for the periods indicated:

*(₹ million, unless otherwise stated)*

| Revenue by Geographical Segment | For six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | % of revenue from operations | Amount | % of revenue from operations | Amount | % of revenue from operations | Amount | % of revenue from operations |
| Within India | 1,480.30 | 24.35 | 4,783.90 | 42.03 | 3,262.92 | 49.47 | 3,112.58 | 59.80 |
| Outside India* | 4,599.32 | 75.65 | 6597.48 | 57.97 | 3,332.50 | 50.53 | 2,092.37 | 40.20 |
| **Total** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **6,595.42** | **100.00** | **5,204.95** | **100.00** |

**Includes North America, South America, Asia, Asia-Pacific, Europe, Africa and Middle East.*

There are a number of risks associated with doing business overseas such as risks with respect to fluctuations in the interest rate and foreign currency, different tax and regulatory environments (particularly with respect to the nature of our products), obtaining the necessary clearances and approvals to set up business and competing with established players in these regions and cost structures in international markets, including those in which we operate, that are significantly different from those that we have experienced in India. Also see "—*We are exposed to a significant risk from exchange rate fluctuations. If we fail to manage our foreign currency risk, our business, results of operations and financial condition may be adversely affected*." on page 41.

The risks involved in entering new markets and expanding operations may be higher than expected, and we may face significant competition in such markets. Competing successfully in international markets may require additional resources due to the unique aspects of each geographic market. Some of our competitors in these markets may have more capital, financial resources, and other advantages, including a stronger brand reputation, market penetration, a wider range of products, and a large sales force. These factors could make their products more competitive than ours. Additionally, any changes in regulatory frameworks across the countries we export to, as well as any past export bans implemented by these countries may impact our operations. We cannot assure you that we will be able to grow our business in such new geographic markets. Our inability to grow our business in such additional geographic markets may have a material adverse effect on our business, operations, prospects or financial results.

In the six months period ended September 30, 2024, and in Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have not faced any challenges related to our export activities and overseas operations that pose significant risks to our operations. However, we cannot assure you that such incidents would not occur or would not have an adverse effect on our business, results of operations and financial condition.

5. ***A substantial portion of our revenues is dependent on our top 10 customers. In Fiscal 2024, we derived 55.77% of our total revenue from operations from our top 10 customers. The loss of any of these customers may adversely affect our revenues and profitability.***

We derived 55.77% of our total revenue from operations from the sale of ICT Devices to our top 10 customers in Fiscal 2024. The table below sets forth the revenue derived from our top 10 customers, for the periods indicated:

| Particulars | Fiscal 2024 | |
|---|---|---|
| | Amount (in ₹ million) | % of total revenue from operations |
| Customer 1 | 1,966.22 | 17.28% |
| Customer 2 | 1,298.72 | 11.41% |
| Customer 3 | 751.32 | 6.60% |
| Customer 4 | 589.90 | 5.18% |
| Customer 5 | 463.45 | 4.07% |
| Customer 6 | 320.77 | 2.82% |
| Customer 7 | 307.85 | 2.70% |
| Customer 8 | 236.92 | 2.08% |
| Customer 9 | 221.69 | 1.95% |
| Customer 10 | 190.05 | 1.67% |
| **Total** | **6,346.89** | **55.77%** |

**Names from our top 10 customers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such customers to be named in the Offer Documents.*

We depend on our top 10 customers for a substantial portion of our total revenue from operations. The loss of any of our top 10 customers for any reason (including due to loss of, or failure of our customers to win orders / contracts from their customers to renew our existing arrangements with our customers; limitation to meet any change in quality specification, change in technology, disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) may have a material adverse effect on our business, results of operations and financial condition. While we have not faced any such instances in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that loss of any of our top 10 customers, would not adversely impact our results of operations, financial condition and cash flow. Fluctuations in the performance of the industries in which certain of our customers operate may result in a loss of customers, a decrease in the volume of work we undertake or the price at which we offer our services. If we fail to retain these customers on terms that are commercially reasonable or if there is any significant reduction in the volume of business with such customers, it may adversely affect our business, results of operations, cash flows and financial condition. In addition to these factors, these key customers may also replace us with our competitors. Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance.

Further, we rely on purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit, volume and other terms of sales for our products. However, such purchase orders/delivery schedules may be cancelled unilaterally with or without cause and should such cancellation take place, it may have an adverse impact on our revenue and results of operations. Furthermore, there is no assurance that our top 10 customers will continue to source products from us at volumes or rates consistent with, and commensurate to the amount of business received from them historically, or at all. While we have not faced any such instances in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that any decrease in the demand for our products from our top 10 customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

6. ***We depend on a limited number of suppliers for our inventory. Any interruption in the availability of inventory may adversely impact our operations. Further, any failure by our suppliers to provide inventory to us on time or at all,***

***or as per our specifications and quality standards may have an adverse impact on our ability to meet our delivery schedules.***

The fluctuating prices of key components, coupled with our lack of long-term supply agreements, could significantly impact on our cost structure and profitability. Given that a substantial portion of our material purchases are concentrated among a few suppliers, any increase in prices or disruption in supply from these suppliers could have an outsized impact on our operations. The absence of long-term contracts leaves us more vulnerable to market volatility, making it difficult to predict costs and manage our margins effectively. This exposure to pricing fluctuations underscores the importance of our ability to negotiate favorable terms with suppliers and, where possible, secure consistent pricing to mitigate potential risks.

Set forth below is a table depicting the cost of inventory and traded goods from our top 10 suppliers:

| **Particular*** | **Fiscal 2024** | |
|---|---|---|
| | **Amount (in ₹ million)** | **As a % of the cost of total inventory** |
| Supplier 1 | 2,881.60 | 24.48% |
| Supplier 2 | 1,661.70 | 14.12% |
| Supplier 3 | 694.04 | 5.90% |
| Supplier 4 | 601.37 | 5.11% |
| Supplier 5 | 565.18 | 4.80% |
| Supplier 6 | 467.96 | 3.97% |
| Supplier 7 | 306.48 | 2.60% |
| Supplier 8 | 288.85 | 2.45% |
| Supplier 9 | 271.50 | 2.31% |
| Supplier 10 | 185.94 | 1.58% |
| **Total** | **7,924.63** | **67.31%** |

**Names of our top 10 suppliers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such suppliers to be named in the Offer Documents.*

We do not have long – term agreements with our suppliers. We typically place orders with our suppliers in advance, and the price for each order is negotiated based on market conditions. Prices of such inventory may fluctuate. If our inventory becomes significantly more expensive, we may not be able to pass on the additional costs to our customers and our profit margins may be reduced.

Moreover, our relationship with suppliers of key materials and components lacks exclusivity, thereby contributing to potential pricing pressures exerted by our suppliers. Such pricing pressure from our suppliers may adversely affect our business, gross margin, profitability, and ability to increase prices, impacting our business, results of operations, cash flows, and financial condition. This pricing pressure can limit our ability to set or maintain prices at levels that would sustain our gross margins and profitability. However, we have established relationships with multiple suppliers for most of our products to mitigate risks associated with raw material supply and pricing pressures, and we have not experienced any material pricing pressures for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022. If we are unable to offset the pressure through cost reductions, efficiency improvements, or other measures, our profitability could decline. In addition, if we experience a quality issue with a raw material or we otherwise discontinue our relationship with a particular supplier, we may experience delays or increased costs in obtaining such raw materials from a comparable supplier. Although we have not experienced any significant shortages or delay for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we will not encounter any shortage or delay in the future.

If there are any defaults or failures to make any payments due to our suppliers, this could cause our suppliers to terminate their relationship with us, or resort to litigation to recover any amounts due. The financial instability of suppliers, labour problems experienced by suppliers, disruption in the transportation of the raw materials by suppliers, including as a result of labour slowdowns, transport availability and cost, transport security, inflation and other operational factors relating to suppliers are beyond our control.

***7. Our operations are concentrated in certain jurisdictions, such as India, Middle East and USA and any loss of business in such regions may have an adverse effect on our business, results of operations and financial condition.***

We are a Company with domestic and international operations, with five refurbishing facilities located across India, Middle East and USA. We have one refurbishing facility in Navi Mumbai, India, one refurbishing facility in Texas, USA and three refurbishing facilities in Sharjah, UAE, aggregating to cumulative area of 58,127.82 sq. ft. This regional concentration exposes us to risks such as economic slowdowns, social or political unrest, natural calamities, or adverse government policies in these regions. Any negative developments in these regions may have an adverse effect on our business, operations and financial performance.

In the event of a regional slowdown in the economic activity in these regions, or any other developments including social, political or civil unrest, disruption, natural calamities or sustained economic downturn or changes in the policies of the governments of such regions that reduce the demand for our services in such jurisdictions, could require us to incur significant capital expenditure, change our business structure or strategy, which may have an adverse effect on our business, results of operations and financial condition, which are largely dependent on the performance and other prevailing conditions affecting the economies of such regions. While we have not witnessed any loss of business in these regions on account of such factors in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure that such a loss would not occur in the future and would not have an adverse effect on our business, results of operations, and financial condition.

***8. Our business depends on the reputation and perception of our brand. Any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition and maintain quality standards may materially and adversely affect our reputation, business, results of operations and financial condition.***

We operate under the brand "*Electronics Bazaar*" specializing in refurbished ICT Devices. The reputation and perception of our brand is critical to our business. Our brand is associated with high quality products and backed by services with strong execution experience. Our customers expect us to maintain high quality standards.

Maintaining and enhancing our reputation, quality standards and brand recognition depends primarily on the quality and consistency of our refurbished ICT Devices, as well as the success of our brand promotion efforts. We have expended considerable efforts promoting our brand and the quality of our refurbished products, and we expect to continue to do so. We also showcase our products to our customers through the online channels including our own website (www.electronicsbazaar.com), social media presence through country specific and business specific dedicated social media pages and offering target specific microsites. If we are unable to maintain and further enhance our brand recognition, our ability to retain and expand our refurbished network may be impeded and our business prospects may be materially and adversely affected. Details of our marketing expenditure which includes brand-building and promotional activities, in absolute terms and as percentage of our total expenditure, for the periods indicated are set out below:

| Particulars | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Marketing expenditure (in ₹ million) | 8.29 | 29.54 | 30.98 | 43.25 |
| Total expenses (in ₹ million) | 5,736.39 | 10,864.74 | 6,273.67 | 4,976.74 |
| Marketing expenditure as a percentage of our total expenditure (%) | 0.14% | 0.27% | 0.49% | 0.87% |

Further, any instance of negative publicity, whether justified or not, can have a disproportionately large impact on our brand perception and customer loyalty. This negative publicity could arise from various sources, including but not limited to, unsatisfactory customer outcomes, adverse media coverage, or regulatory actions. Such adverse publicity may erode the trust and confidence of our customers and partners, thereby diminishing our competitive position and market share. While we have not witnessed any instances of negative publicity in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, there can be no assurance that such instances will not occur in the future. Consequently, sustained negative publicity may lead to a decline in sales, increased legal and compliance costs, and may have an adverse effect on our business, financial condition, and results of operations. Therefore, proactive measures to manage and mitigate potential sources of negative publicity are imperative to safeguard our brand equity and overall business viability.

***9. There are outstanding legal proceedings involving our Company, Promoters, and Directors which may have an adverse effect on our business, financial condition and results of operations.***

There are outstanding legal proceedings involving our Company, Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings may have an adverse impact on our business, financial condition and results of operations.

A summary of the outstanding proceedings involving our Company, Subsidiaries, Promoters and Directors as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, has been set out below. As on date of this Draft Red Herring Prospectus, there are no outstanding litigations involving our Group Company, which may have a material impact on our Company:

| 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) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By the Company | 19 | NA | NA | NA | Nil | 5.92 |
| Against the Company | Nil | 7 | Nil | NA | Nil | 109.04 |
| **Directors (Other than our Promoters)** | | | | | | |
| By our Directors | Nil | NA | NA | NA | Nil | Nil |
| Against the Directors | Nil | 1 | Nil | NA | Nil | 0.78 |
| **Promoters** | | | | | | |
| By Promoters | Nil | NA | NA | NA | Nil | Nil |
| Against Promoters | Nil | 2 | Nil | Nil | Nil | 2.12 |
| **Subsidiaries** | | | | | | |
| By Subsidiaries | Nil | NA | NA | NA | Nil | Nil |
| Against Subsidiaries | Nil | Nil | Nil | NA | Nil | Nil |

* *To the extent quantifiable.*

^ *Determined in accordance with the Materiality Policy.*

For details, see "*Outstanding Litigation and Material Developments*" on page 322.

We cannot provide assurance that these legal proceedings will be decided in favour of our Company, Directors, Promoters or Subsidiaries, or that no further liability will arise out of these proceedings. Decisions in such proceedings may have an adverse effect on our business, prospects, reputation, results of operations and financial condition.

***10. Our Company's business model is highly dependent on a reliable and efficient supply chain for the procurement of used laptops, components and other materials necessary for the refurbishment process. Any disruption in this supply chain may have a significant negative impact on the Company's operations, production schedules, and financial performance.***

Our business model depends significantly on the availability of used ICT Devices, particularly laptops, for refurbishment and resale. The supply of these devices may be influenced by various factors, including consumer behaviour, corporate upgrade cycles, regulatory changes, and overall market trends in electronic waste management. For instance, a slowdown in corporate IT upgrades could reduce the volume of used laptops available in the market, limiting our ability to source inventory for refurbishment. Additionally, any changes in regulations related to e-waste disposal on used ICT Devices could further affect our access to inventory.

While we have established partnerships with several key suppliers, including corporates and IT asset disposal companies, there is no guarantee that these relationships will continue to provide a steady flow of used devices in the future. The refurbishment industry is highly competitive, and any disruptions in the supply chain, such as an increase in demand for used devices from competitors or a shift in consumer behavior towards longer device usage, could lead to supply shortages or increased procurement costs. While we have not faced significant disruptions in supply chain in the six months period ended, September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot guarantee that such challenges will not arise in the future, which may adversely affect our business and cash flows.

Although we have sourced sufficient inventory in the past and built a diverse supplier base, our reliance on a steady supply of used ICT Devices makes us vulnerable to changes in market conditions. The limited predictability of this supply may affect our ability to scale operations or meet future demand, potentially impacting our financial performance.

***11. Our inability to effectively manage our growth or to successfully implement our business plan and growth and expansion strategy may have an adverse effect on our business, results of operations and financial condition.***

We are India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall both globally and in India with significant presence across India, USA, Europe, Africa, and UAE, in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). We are present across the full value chain *i.e.*, from sourcing to refurbishment to sales, to after – sale services and providing warranty. We attribute our growth to our business strategies detailed in "*Our Business – Strategies*" on page 178.

Set forth below is a breakdown of our revenue from operations and year on year growth for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(*in ₹ million, unless otherwise stated*)

| Particulars | Six months period ended September 30, 2024 | Fiscal | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Revenue from operations | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Year on Year growth of Revenue from Operations from the previous Fiscal | - | 72.56% | 26.71% | - |

While we have generally adhered to our growth strategy in the past, there is no assurance that such deviations will not occur in the future and have a material adverse effect on our business, results of operations and financial condition. Our inability to manage and execute our growth strategy in a timely manner, or within budget estimates may have an adverse effect on our business, results of operations and financial condition. We may not be able to expand our business operations into unexplored geographies, increasing our refurbishment capacity, and exploring new product categories beyond ICT Devices on a global level successfully on account of certain internal or external factors in such regions which may not be similar to our experience in the existing regions where we operate.

We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support our future operations or establish or develop business relationships beneficial to our future operations. Failure to manage growth effectively may have an adverse effect on our business, results of operations and financial condition.

12. ***We have certain contingent liabilities which have been disclosed in our Restated Consolidated Financial Information, which if they materialize, may adversely affect our results of operations, cash flows and financial condition.***

The following is a summary table of our contingent liabilities as per Ind AS 37 as on September 30, 2024 as indicated in our Restated Consolidated Financial Information.

*(₹ in million)*

| Particulars | Amount as at September 30, 2024 |
|---|---|
| Income tax (CIT Appeals) | 0.57 |
| GST (ACST Appeals) | 108.47 |

If a significant portion of these liabilities materialize, it may have an adverse effect on our business, cash flows, financial condition and results of operations. For further information on contingent liabilities as per Ind AS 37 as of September 30, 2024, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 44: Contingent Liabilities*" on page 285.

13. ***There have been certain instances of delays in payment of statutory dues by our Company in the past. Any delay in payment of statutory dues by our Company in future may result in the imposition of penalties and in turn may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, and professional taxes. The table below sets forth the details of the delays in statutory dues payable by our Company in relation to its employees for the periods indicated below:

**TAX DEDUCTED AT SOURCE**

| Name of Entity | Relevant Act | Month | Fiscal | Interest amount | Date of Deposit | Delay in days | Reason for delay |
|---|---|---|---|---|---|---|---|
| GNG Electronics Limited | 192B | March | 2022 | 0.01 | June 18, 2022 | 49 | salary arrears |

**PF, ESI, PT AND OTHER STATUTORY DUES**

| Name of Entity | Relevant Act | Due date | Amount (₹ in million) | Date of Deposit | Delay in days | Reason for delay |
|---|---|---|---|---|---|---|
| **As of September 30, 2024** | | | | | | |
| GNG Electronics Limited | Employees' State Insurance Corporation | May 15, 2024 | 0.27 | May 20, 2024 | 5 | Technical issue, Server Downtime |

| Name of Entity | Relevant Act | Due date | Amount (₹ in million) | Date of Deposit | Delay in days | Reason for delay |
|---|---|---|---|---|---|---|
| | Provident Fund | May 15, 2024 | 0.52 | May 20, 2024 | 5 | Technical issue, Server Downtime |
| | Provident Fund | August 15, 2024 | 0.78 | August 29, 2024 | 14 | Technical issue, Server Downtime |
| | | | **1.57** | | | |

| Name of Entity | Relevant Act | Due date | Amount (₹ in million) | Date of Deposit | Delay in days | Reason for delay |
|---|---|---|---|---|---|---|
| **As of March 31, 2024** | | | | | | |
| GNG Electronics Limited | Provident Fund | August 15, 2023 | 0.37 | August 16, 2023 | 1 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | August 15, 2023 | 0.14 | August 16, 2023 | 1 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | January 15, 2024 | 0.27 | January 23, 2024 | 8 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | February 15, 2024 | 0.26 | February, 16, 2024 | 1 | Technical issue, Server Downtime |
| | MLWF | January 15, 2024 | 0.02 | January 30, 2024 | 15 | Technical issue, Server Downtime |
| | | | **1.06** | | | |
| **As of March 31, 2023** | | | | | | |
| GNG Electronics Limited | Provident Fund | May 15, 2022 | 0.04 | August 23, 2022 | 100 | Salary Arrears Processed |
| | Provident Fund | June 15, 2022 | 0.03 | August 23, 2022 | 69 | Salary Arrears Processed |
| | | | **0.07** | | | |
| **As of March 31, 2022** | | | | | | |
| GNG Electronics Limited | Provident Fund | June 15, 2021 | 0.13 | June 17, 2021 | 2 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | June 15, 2021 | 0.01 | July 23, 2021 | 38 | Differential Salary processed |
| | Employees' State Insurance Corporation | July 15, 2021 | 0.01 | July 23, 2021 | 8 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | October 15, 2021 | 0.01 | October 28, 2021 | 13 | Technical issue, Server Downtime |
| | Employees' State Insurance Corporation | November 15, 2021 | 0.01 | November 26, 2021 | 11 | Technical issue, Server Downtime |
| | | | **0.19** | | | |

Further, the table below provides the employees for which the provident fund, employee state insurance and income tax is applicable, and the details of the relevant paid and unpaid dues are as follows:

| Fiscal | No. of Employee | Total amount due (₹ million) | Paid (₹ million) | Unpaid (₹ million) |
|---|---|---|---|---|
| **PROVIDENT FUND** | | | | |
| As of September 30, 2024 | 249 | 4.13 | 4.13 | Nil |
| As of March 31, 2024 | 162 | 4.94 | 4.94 | Nil |
| As of March 31, 2023 | 74 | 2.27 | 2.27 | Nil |
| As of March 31, 2022 | 67 | 2.2 | 2.2 | Nil |
| **Total** | | **13.54** | **13.54** | |
| **ESIC** | | | | |
| As of September 30, 2024 | 393 | 1.54 | 1.54 | Nil |
| As of March 31, 2024 | 283 | 2.31 | 2.31 | Nil |
| As of March 31, 2023 | 105 | 0.63 | 0.63 | Nil |
| As of March 31, 2022 | 32 | 0.18 | 0.18 | Nil |
| **Total** | | **4.66** | **4.66** | |

| Fiscal | No. of Employee | Total amount due (₹ million ) | Paid (₹ million ) | Unpaid (₹ million ) |
|---|---|---|---|---|
| **INCOME TAX** | | | | |
| As of September 30, 2024 | 44 | 2.28 | 2.28 | Nil |
| As of March 31, 2024 | 52 | 8.63 | 8.63 | Nil |
| As of March 31, 2023 | 25 | 5.56 | 5.56 | Nil |
| As of March 31, 2022 | 56 | 3.12 | 3.12 | Nil |
| **Total** | **177** | **19.59** | **19.59** | |

If we are unable to pay our statutory dues on time, we may we subject to penalties which may impact our financial condition and results of operations. We cannot assure you such delays in payment of statutory dues will not occur in future or we will not receive any notice seeking an explanation or an order imposing a penalty in the future in relation to such delays.

14. ***We have significant working capital requirements and our inability to meet the working capital requirements may have an adverse effect on our results of operations.***

Our business requires a significant amount of working capital as there is considerable time lag between purchase of inventory and realisation from sale of our ICT Devices. Thus, we are required to maintain sufficient stock to meet the requirements affecting our working capital requirements. Consequently, there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may be required to incur additional indebtedness or utilize internal accruals to meet our working capital requirements. The working capital requirements may increase if credit period against sales is increased or there is a requirement to pay higher price for inventory or to pay excessive advances for procurement of inventory. Some of these factors may result in an increase in our short-term borrowings.

We typically rely on internal accruals as well as credit facilities from banks, vendor financing, facilities, and short-term inter-corporate deposits to provide for our working capital arrangements. For further details, refer to "*Objects of the Offer – Funding working capital requirements of our Company*" on page 93. The table below sets forth the working capital details, on a standalone basis, as of the dates indicated:

| Particulars | As of six months period ended September 30, 2024 | As of March 31, | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Working capital (in ₹ million) | 3,529.95 | 2,638.69 | 1,345.15 | 1,149.56 |

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. There can be no assurance that we will continue to be successful in arranging adequate working capital for our existing or expanded operations on acceptable terms or at all, which may adversely impact our business and prospects.

15. ***We have substantial indebtedness which requires significant cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to meet our obligations, including financial and other covenants under our debt financing arrangements may adversely affect our business and financial condition.***

Set out below are details of our outstanding borrowings, on a consolidated basis, based on the Restated Consolidated Financial Information, for the dates indicated:

*(in ₹ million)*

| Particulars | As of | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Borrowings (non-current) | 903.49 | 127.00 | 513.98 | 430.70 |
| Borrowings (current)* | 4,086.20 | 3,096.33 | 1,006.24 | 571.97 |
| **Total Borrowings** | **4,989.69** | **3,223.33** | **1,520.22** | **1,002.67** |

**Includes current maturities*

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations and generate sufficient cash flows to service such debt. Our outstanding indebtedness and any additional indebtedness we incur may have significant consequences, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditures, acquisitions, and strategic investments; reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions; and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, share repurchases, or other general corporate and other purposes.

Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, among others, changes to the capital structure of our Company, changes to the management of our Company and changes in the memorandum and articles of association of our Company. Failure to comply with such covenants or obtain consents may restrict or delay certain actions or initiatives that we may propose to take from time to time and may have significant consequences on our business and operations. In addition, we have also availed loans which may be recalled at any time at the option of such lenders. Such recalls on borrowed amounts may also be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows.

While we have not faced any instances of breach of financial covenants in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, any failure on our part in the future to satisfactorily observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt, adversely impacting our business, financial condition and results of operations.

16. ***We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively during that period, our business and results of operations may be adversely affected.***

Our business involves purchasing inventory of used ICT devices, such as laptops and other ICT Devices from various vendors and suppliers based on projected sales. Ineffective management of our inventory may have a material adverse effect on our business, operations, and financial condition. For instance, if we overestimate demand and procure excess inventory, we may incur additional costs related to storage, interest, and liquidation. Additionally, holding unsold inventory for extended periods could result in markdowns or write-offs, further impacting our profitability. On the other hand, if we underestimate demand or fail to stock the products that customers are seeking, we risk losing potential sales to competitors, which may negatively affect our revenue and market share.

Our ability to meet customer demand efficiently relies on maintaining an optimal level of inventory. We typically maintain stock levels sufficient for about three to four months of operations. Our business depends on production decisions made in advance based on our estimate of the demand for our products from customers, considering historical trends. We typically maintain a reasonable level of inventory of materials, as set forth in the below table:

*(in ₹ million, unless otherwise stated)*

| Particulars | As at and for the Fiscals ended | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Inventory | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| Total Expense | 5,736.39 | 10,864.74 | 6,273.67 | 4,976.74 |
| % of total Expense | 66.45% | 28.92% | 21.52% | 22.65% |
| Inventory Turnover Days | 125.58* | 82.16 | 80.97 | 82.12 |

**Not annualized*

We are exposed to risks related to natural disasters, adverse weather conditions, or other unforeseen events that could disrupt the supply and transportation of products to our warehouses. Should such disruptions occur, we may not be able to secure alternate supply sources promptly or on competitive terms, leading to a decline in product availability. Any such disruption would allow customers to seek products from competitors, adversely affecting our market position, profitability, and reputation.

Furthermore, logistical issues such as transportation bottlenecks, handling errors, labor strikes, or damage to products during transit could delay deliveries to our warehouses or customers, further impacting our sales and operational efficiency. Given that some of our products are stored in limited warehouse facilities, any disruption in these warehouses may severely affect our supply chain across all stores and channels. Any of these factors may result in lower availability of products, reduced customer satisfaction, and a decline in sales, which would adversely affect our business prospects, profitability, and financial performance.

17. ***We have experienced negative cash flows from operating activities in the past and may continue to do so in the future.***

We have in the past, and may in the future, experience negative cash flows from operating activities. The following table sets forth our total cash flows for the period/years included, as applicable:

*(in ₹ million)*

| Particulars | As of | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Cash flows from operating activities | 199.56 | 974.57 | 249.59 | (38.26) |

We have net cash outflow from operating activities primarily due to trade receivables and inventories. The movements in working capital in six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 primarily consisted of (i) increase / decrease in inventories due to increase in closing stock of finished goods on account of higher procurement, (ii) increase / decrease in trade receivables primarily due to increase in the sales (iii) increase / decrease in financial and other current assets, (v) decrease / increase in the trade payables, (vi) decrease / increase in provisions, (vii) increase / decrease in the financial and other current liabilities. For further details, refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 308.

Any negative cash outflows from operating activities over extended periods, may have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations may be adversely affected. We cannot assure you that such events will not occur or not have an adverse effect, in the future. For further details, see "*Management's Discussion on Analysis of Financial Conditions and Results of Operations – Cash Flows*" on page 308.

18. ***Technological changes, evolving customer requirements and emerging industry trends may affect our business, may render our current technologies obsolete and may require us to make substantial capital investments. If we are unable to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations may be materially and adversely affected.***

Our business functions in ICT Devices industry and as a result the possibility of technological obsolescence is greater than companies in more conventional industries. Our future success depends, in part, on our ability to respond to technological advances, evolving customer requirements and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risk and significant implementation costs. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to evolving customer requirements or emerging industry standards. Changes in technology may make newer solutions more competitive than ours or may require us to make additional capital expenditure to upgrade our facilities and technology. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, evolving customer requirements or technological changes, our business, financial condition and results of operations may be materially and adversely affected.

19. ***We rely on our relationships with certain online marketplaces and disruptions to such relationships or changes in their business practices, may adversely affect our business and our financial condition, results of operations and cash flows.***

We are reliant on online marketplaces for the sale of a portion of the products that we sell. If our competitors offer online marketplaces and retailers more favourable terms or have more products available to meet their needs or utilize the leverage of broader product lines to be sold through them, these online marketplaces and retailers may de-emphasize or decline to offer products that we sell through them. Although we have not experienced any such instances during the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you such instances may not occur in future.

20. ***Any issues with our product quality or performance may require us to incur additional expenses and warranty costs, damage our reputation and cause our sales to decline.***

We may receive from time to time, complaints from certain customers on the quality deficiencies of our refurbished ICT Devices. We typically offer warranty of one to three years. On account of the limited available usage history of our refurbished ICT Devices, there can be no assurance that our assumptions regarding their durability and reliability are accurate. If a defect is discovered during the relevant warranty period, we may be required to either repair or replace such device or compensate the price of the device with or without interest or any charge. While we have not received any material customer complaints in relation to our product quality and performance in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, and there can be no assurance that there will be no customer complaints in the future and our customers will be fully satisfied with our product quality or performance.

If our products do not meet our customers' quality expectations or if there is a real or perceived issue with the quality of our refurbished ICT Devices, our credibility, market reputation and consequently market acceptance and sales may be adversely affected. Widespread product failures also may negatively impact our market reputation, reduce our market share and cause our sales to decline.

As we continue to expand our operations and increase our sales in existing and new markets, we may be exposed to increased warranty claims. Our warranty provisions may be considered to be inadequate, and we may be required to incur substantial expense to repair or replace defective products in the future. Furthermore, while we have not had any such major instance in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we are exposed to product liability claims if the use of our products results in property damage or personal injury, whether as a result of product malfunctions, defects, improper installations or other causes. Even if any claims by our customers are unfounded, it may also result in costly litigation which may divert our management's attention and resources from their day-to-day functions.

21. ***An inability to provide adequate customer support and ancillary services may adversely affect our relationship with our existing and prospective customers, and in turn our business, results of operations and financial condition.***

Our customers depend on customer support and ancillary services to resolve issues relating to our products and services in a timely manner. We provide customer support at all stages to our customers, through e-mail and telephone support via a dedicated customer care number. We and our partners of sales network may be unable to respond to/accommodate short-term increases in demand for our products or associated customer support including maintenance in a timely manner. We also may be unable to modify the nature, scope and delivery of such services to compete with support services provided by our competitors. Our business can also be adversely affected by customer complaints relating to the non-performance or sub-standard performance of our products, our operations, and quality of products. Increased requests in connection with our ICT Devices and services, without corresponding revenue, may increase costs and adversely affect our results of operations and financial condition. Our sales are dependent on our reputation and on positive recommendations from our existing customers. Any failure to maintain adequate and timely customer support and ancillary services, or a market perception that we are unable to do so, may result in loss of business and adversely affect our business, prospects and financial performance.

22. ***Delivery delays and poor handling by third-party logistics service providers may have an adverse effect on our business, financial condition and results of operations.***

We rely on our third-party logistics service providers for the transportation of our ICT Devices to the customers. The services provided by these providers may be suspended, in which case the supply of our ICT Devices could be interrupted. Delayed or even lost deliveries may occur for various reasons beyond our control, including poor handling by our logistics service providers, labour disputes or strikes, acts of war or terrorism, health epidemics, earthquakes and other natural disasters. In addition, poor handling of our ICT Devices could also result in contamination or damage of such products, which may in turn lead to product exchanges, product liability, increased costs and damage to our reputation. Any of the circumstances would have a material and adverse effect on our business, financial condition and results of operations. While, we have not experienced any such disruptions in the delivery of our ICT Devices in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that such events will not occur and will not have an adverse material effect on our business, results of operations and financial condition.

The table below provides our freight and forwarding expenses as a percentage of total expenses during the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

*(in ₹ million, unless otherwise stated)*

| Particulars | Six months period ended September 30, 2024 | Fiscal | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Freight and forwarding expenses | 47.95 | 33.34 | 61.05 | 19.26 |
| Total expenses | 5,736.39 | 10,864.74 | 6,273.67 | 4,976.74 |
| Freight and forwarding expenses as % of total expense | 0.84% | 0.31% | 0.97% | 0.39% |

Further, the cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

23. ***Non-compliance with and changes in any of the applicable laws, rules or regulations, including safety, health, environmental and labour laws may have an adverse effect on our business, results of operations and financial condition and cash flows.***

We are required to obtain and maintain certain approvals, registrations, permissions and licenses from regulatory authorities, to carry out/ undertake our operations. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain and maintain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which may adversely affect our business, results of operations, cash flows and financial condition. For example, we are required to maintain factory license, authorization under the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 and importer-exporter code from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India. As on the date of filing this Draft Red Herring Prospectus, none of our material approvals and registrations have been rejected by any governmental authority.

For further information on the nature of approvals and licenses required for our business, see "*Government and Other Approvals" and "Key Regulations and Policies*" on pages 327 and 191. In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals, which may expire from time to time.

Failure to obtain or renew such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or may affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

24. ***Demand for our refurbished and other categories of ICT Devices may not increase as rapidly as we anticipate due to a variety of factors, including weakness in general economic conditions, which may have a material and adverse effect on our business, results, of operations and financial conditions.***

The global refurbished personal computer market grew from US$ 9.7 billion in CY18 to US$ 14.4 billion in CY23, reflecting an 8% CAGR, and is projected to reach US$ 28.3 billion by CY28, at 22%. Similarly, the Indian refurbished PC market grew from US$ 0.2 billion in FY19 to US$ 0.8 billion in FY24, showing a 27% CAGR, and is expected to reach US$ 4.6 billion by FY29, at a CAGR of 33%. A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. In India, the organized market share grew from approximately 5% in FY19 to 11% in FY24, with a robust CAGR of 33%. This share is projected to further expand to 32% by FY29, at an impressive CAGR of 42%. (*Source: 1Lattice Report*)

However, future demand for refurbished electronics may be challenging to predict, as it is influenced by several variables, many of which are beyond our control. Consumer spending habits on refurbished electronics are affected by factors such as overall economic conditions, employment levels, income, consumer confidence, and the general perception of economic stability. A slowdown in the Indian or global economy, or an uncertain economic outlook, could lead to reduced consumer spending on electronics. This may result in a decline in demand for refurbished laptops or a shift towards lower-cost or less advanced models, which would materially impact our results of operations.

The market outlook for refurbished electronics is also uncertain and may develop slower than we expect. The growth of the market depends on various factors, including consumer awareness of refurbished products, technological advancements, and the overall development of the refurbishment industry. Additionally, any negative publicity or disputes involving refurbished products, such as concerns over product quality or safety, could harm the entire industry and reduce consumer confidence, negatively affecting our business.

Moreover, individual decisions to purchase refurbished ICT Devices are also influenced by factors like disposable income, especially since consumers in India generally bear the full cost of such products. During times of economic downturn, when disposable income is reduced, consumers may opt to postpone or forego purchasing refurbished devices, even if they are lower-priced alternatives. A reduction in consumer spending due to economic factors, or the mere perception of financial instability, may negatively affect demand for refurbished electronics.

If the demand for refurbished electronics does not grow as rapidly as we anticipate, or if consumers reduce their expenditures in this segment, our business, financial condition, results of operations, and growth prospects may be materially and adversely affected

25. ***Our senior management team, key managerial personnel and other qualified personnel are critical to our continued success and we may be unable to attract and retain such personnel in the future.***

As of six months period ended September 30, 2024, we had 1,143 on – roll employees. The table below sets forth our employee benefits expense (incurred for on-roll employees) for the periods indicated:

*(in ₹ million unless otherwise indicated)*

| Particulars | As at and for the Fiscals ended | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Employee Benefit Expense | 251.07 | 355.94 | 196.16 | 95.39 |
| % of total expense | 4.38% | 3.28% | 3.13% | 1.92% |

Our success depends substantially on the continued efforts of our senior management team, key managerial personnel and other qualified personnel. If one or more of our or key employees are unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. The table below provides the attrition rate for our employees, key managerial personnel and senior management for the periods indicated:

*(in % unless otherwise indicated)*

| Particulars | As of six months period ended September 30, 2024 | As of or for the Fiscal | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| Number of employees | 1,143 | 837 | 404 | 193 |
| Employee attrition rate | 5.75% | 4.71% | 7.25% | 8.87% |
| Key managerial personnel and senior managerial personnel attrition rate | - | - | - | - |

Our industry is characterised by high demand and intense competition for talent. As a result, we cannot assure you that we will be able to attract or retain technicians, qualified staff or other highly skilled employees. Our ability to train and integrate new employees into our operations may not meet the growing demands of our business and may cause employee attrition. Any negative publicity arising from such reduction in turnover may adversely affect our reputation and our ability to attract talent. While we have not faced any such instances in six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, if any of our key managerial personnel or senior management joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Further, if any of our key managerial personnel or senior management terminates their services with us due to death, disability or any other reason, or if their reputation is adversely impacted by personal actions or omissions or other events within or outside their control, our business may be disrupted and we may incur additional expenses to recruit, train, and retain qualified personnel.

26. ***Our business is subject to strikes, work stoppages and/or increased wage demands, as well as other disputes with our employees. Such instances may cause disruptions in our operations, which may materially adversely affect our business, financial condition and results of operations.***

We had 1,143 full-time employees as at September 30, 2024. We cannot guarantee that our employees will not join labour unions in the future and as a result we may experience disruptions in our operations due to disputes or other problems with our workforce. Efforts by our employees to modify compensation and other terms of employment may also divert management's attention and increase operating expenses. The occurrence of such events may materially adversely affect our business, financial condition and results of operations. While we have not experienced any such instances during the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we may not be subjected to any such instances in the future.

From time to time, we also enter into contracts with subcontractors and other independent contractors to complete specific assignments and these subcontractors are required to provide the labour necessary to complete such assignments. We do not have control over their day-to-day affairs. Although we do not engage these labourers directly, it is possible under the local laws of the countries in which we operate, that we may be held responsible for wage payments to labourers engaged by subcontractors should the subcontractors default on wage payments. Any requirement to fund such payments may materially and adversely affect our business, financial condition and results of operations.

27. ***If we are unable to establish and maintain an effective internal controls and compliance system, over financial reporting, our reputation may be adversely affected.***

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. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

We have implemented various measures to enhance our internal controls and compliance system, including regular internal audits, comprehensive training programs for employees, and continuous monitoring of our control processes. Despite these efforts, the complexity of financial regulations and evolving industry standards pose ongoing challenges.

To address these challenges, the respective Board of Directors of our Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information. The respective Board of Directors are also responsible for identifying and ensuring that our Company is compliant with the applicable laws including, Companies Act, the SEBI ICDR Regulations and the Guidance Note. Despite these measures, there remains a risk that deficiencies in our internal controls could lead to inaccuracies in financial reporting, potentially damaging our reputation and impacting our stock price. We are committed to continuously improving our internal control systems to mitigate these risks and maintain investor confidence.

28. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have not paid any dividends in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 and from October 1, 2024 till the filing of this Draft Red Herring Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our earnings, capital requirements, acquisitions, overall financial condition of our Company and restrictive covenants of our financial arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Under the Indian laws, dividends may be paid out of profits earned during the year or out of accumulated profits earned by a company in previous years and transferred by it to its reserves (subject to certain conditions). Any accumulated profits that are not distributed in a given year are retained and may be available for distribution in subsequent years. We may retain all future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We have not declared dividends in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, and we cannot assure you that we will be able to announce or pay dividends in the future. For further information, see "*Dividend Policy*" on page 228.

29. ***We face competition from domestic as well as multinational companies and our inability to compete effectively may have an adverse effect on our business, operations and financial condition.***

We face competition from both domestic and multinational companies in the electronics consumer industry, and our inability to compete effectively may have an adverse impact on our business, operations, and financial condition. In the refurbished electronics market, we compete with global and Indian companies that specialize in refurbishing and selling electronic devices, including laptops. Our competition is based on several factors, including the range of products offered, pricing strategies, product quality, customer service, brand recognition, and the ability to source and refurbish high-quality devices efficiently. We believe our brand presence, comprehensive product portfolio, B2B and B2C business models, the quality of our refurbished products, our operational infrastructure, and customer experience are key differentiating factors that enable us to retain customers and set us apart from competitors.

However, some of our competitors may offer refurbished products of higher quality or at more competitive prices. Additionally, larger companies may have access to greater financial resources, better procurement channels, advanced technology, efficient distribution networks, broader product range, and more robust sales and marketing capabilities than we do. Increased competition may put pressure on us to lower our selling prices or increase our marketing efforts, which may affect our profitability.

While we have not experienced any material adverse effects on our business, financial condition, or results of operations due to our inability to compete effectively in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot guarantee that such adverse effects will not occur in the future. For further information, see "*Industry Overview*" and "*Our Business – Competition*" on pages 112 and 188, respectively.

***30. We are exposed to a significant risk from exchange rate fluctuations. If we fail to manage our foreign currency risk, our business, results of operations and financial condition may be materially and adversely affected.***

We sell our products outside India as well as in multiple international markets. This global presence exposes us to significant foreign currency risks, particularly in US dollars, UAE Dirham, Euro and UK GBP. Additionally, we also procure significant portion of our used ICT Devices and components from global suppliers, which further increases our exposure to foreign currency transaction risks.

While we have not experienced any material losses due to fluctuations in foreign exchange rates in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that such losses will not occur in the future. Any significant volatility in exchange rates may have a material adverse effect on our business, results of operations, and financial condition. Details of our gain from foreign exchange are mentioned in the table below, for the periods indicated:

*(in ₹ million, unless otherwise stated)*

| Particulars | As of | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Gains/ (Losses) from Foreign Exchange | 11.82 | 19.47 | 18.12 | 2.25 |
| Gains/ (Losses) from Foreign Exchange as a percentage of our revenue from operations (%) | 0.19% | 0.17% | 0.27% | 0.04% |

Fluctuations in exchange rates can significantly impact our revenue and cost of goods sold, leading to variability in our financial performance. As of September 30, 2024, exports represented a significant portion of our business, any significant appreciation of the Indian rupee (in case of exports) and depreciation of the Indian rupee (in case of imports) against foreign currencies in which we do business can affect our procurement costs, revenue from exports and competitiveness in the long-term. As our financial statements are presented in Indian rupees, such fluctuations may have a material impact on our reported results. Our Company does not have a hedge policy, however, we closely follow our exposure to foreign currencies and we have a natural hedge due to exports revenue, these activities may not be sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations. If our strategies to mitigate exchange rate fluctuation risks are not successful, our business, financial condition and results of operations may be adversely impacted.

The exchange rate of the Indian rupee has changed substantially in recent times and may fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

***31. Any fraud, theft, or embezzlement by our employees, vendors or contractors may adversely affect our reputation, results of operations and financial condition. Our operations and contracts are subject to anti-corruption laws and regulations, and any failure to comply with such laws and regulations may have an adverse impact on our business and reputation.***

Our business is subject to incidents of vendor, contractor, employee fraud, theft or embezzlement. 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. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our Equity Shares. While there have been no such instances of lapses of internal controls in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that this will not occur in the future.

Furthermore, our operations and contracts are subject to anti-corruption laws and regulations. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, which may have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities may also have an adverse impact on our business and reputation. While there have been no instances of any violations of anti-corruption laws in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that there will be no such instances in future.

***32. Any failure or disruption of our information technology systems may adversely impact our business and operations.***

We rely on our information technology ("**IT**") systems for our operations and their reliability and functionality is critical to our business success. Operational risks, such as operational errors or interruptions of our financial, accounting, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster, power or telecommunications failure, may result in a disruption of our business and/or cause reputational damage, and may have a material adverse effect on our business, financial condition and results of operations. Our growing dependence on our IT infrastructure, applications and data has caused us to have a vested interest in its reliability and functionality which can be affected by a number of factors, including, but not limited to, the increasing complexity of the IT systems, frequent change and short life span due to technological advancements and data security. If our IT systems malfunction or experience extended periods of downtime, we may not be able to run our operations safely or efficiently.

We are also subject to cyber security risks and may incur costs to minimize those risks. While we have not faced any cyber security breaches in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, cyber security breaches, such as unauthorized access, accidents, employee errors or malfeasance, computer viruses, computer hackings or other disruptions could compromise the security of our data and infrastructure, thereby exposing such information to unauthorized access by third parties. Techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and generally are not recognized until launched against a target. We may be required to deploy significant capital and other resources to remedy, protect against or alleviate these and related problems, and we may not be able to remedy these problems promptly, or at all.

Further, we may be subject to laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws and regulations may continually change as a result of new legislation, amendments to existing legislation, changes in the enforcement policies and changes in the interpretation of such laws and regulations by the courts or the regulators.

Furthermore, any damage or system failure that causes interruptions or delays in the input, retrieval or transmission of data may disrupt our normal operations and possibly interfere with our ability to undertake projects pursuant to the requirements of our contracts. Although there had not been such instances in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, should such an interruption or delay occur, we can neither assure you that it will not result in the loss of data or information that is important to our business nor that we will be able to restore our operational capacity within a sufficiently adequate timeframe to avoid disruptions to our business. If our systems malfunction or experience extended periods of downtime, we will not be able to run our operations safely or efficiently. We may suffer losses in revenue, reputation, volume of business, and our business, financial condition and results of operation may be materially and adversely affected.

33. ***Our inability to protect any of our intellectual property rights including misappropriation, infringement or passing off of our intellectual property or failure to obtain our trademarks may have an adverse impact on our business.***

As of the date of this Draft Red Herring Prospectus, we have two registered trademarks. There can be no assurance that these applications will be successful or that we will be able to register these marks. In the absence of a registration of the tradename and trademark of our Company under the Trademarks Act, 1999, we will not enjoy the statutory protections accorded to a registered name or mark and therefore, we may not be able to initiate an infringement action against a third party for infringing our trademarks and a passing off action might not be sufficient protection until such time the registration is granted.

Our brand is registered by our Company. While we take due care to protect our brand through internal policies, any unintended internal or external situations by anyone may adversely affect our brand image. Consequently, we are also dependent on these other entities for our reputation and brand name and therefore, any adverse developments in group companies sharing our brand name, may also have an adverse impact on our Company's business. See also "*Our Business – Intellectual Property*" on page 189. To protect our intellectual property rights, we may be required to resort to legal action, which may strain our resources and divert the attention of our management from our day-to-day functioning. Furthermore, if a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult and expensive for us to obtain necessary legal protection. Any adverse outcome in any legal proceedings that we may initiate in future to successfully enforce our intellectual property may have an adverse effect on our business, results of operations and cash flows.

34. ***Our business operations are being conducted on premises leased from third parties. Our inability to continue operating from such premises, or to seek renewal or extension of such leases may have an adverse effect on our business, operations and financial condition.***

Our business operations are primarily conducted on premises leased from third parties and we may continue to enter into such transactions in future. As of September 30, 2024, we have offices and facilities across India, including our Registered and Corporate Office in Mumbai, Maharashtra, two warehouses in Thane, Maharashtra (one of which is located on the premises of our refurbishing facility), one warehouse and one office space in Bangalore, Karnataka. Additionally, we also have leased properties in the USA and UAE.

The table below provides leased details of our Registered and Corporate Office, warehouses and refurbishing facilities cum warehouses:

| Sr. No. | Address | Owned / Leased | Name of Lessor | Area | Term |
|---|---|---|---|---|---|
| **Registered and Corporate Office** | | | | | |
| 1. | Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai, Maharashtra 400 069. | Leased | Kay Kay Overseas Corporation | 1,600.00 square feet | 11 months with effect from October 1, 2024. |
| **Warehouses** | | | | | |
| 2. | No.9, Makali Village, Dasanapura Hobli, Nelamangala Taluk, Bengaluru North, Karnataka 562 123. | Leased | Sun Star Services | 2,000.00 square feet | From February 1, 2023, till December 31, 2027. |
| 3. | Survey no.95, Hissa no.5, Vadpe Village, next to Fedex Bhiwandi, Thane, Maharashtra 421 302. | Leased | ProConnect Supply Chain Solutions Limited | 2,880.00 square feet | 12 months with effect from June 1, 2024. |
| **Refurbishing Facilities cum Warehouses** | | | | | |
| 4. | Module Nos.7 & 8 located within B1 and B2 (part), IT Incubation Centre, Trans Thane Creek Industrial Area, Juinagar, Navi Mumbai, Thane, Maharashtra 400 706. | Leased | Raheja Universal Private Limited | 25,600.00 square feet | 60 months with effect from January 1, 2023. |
| 5. | 400 M2 Warehouse T5-103, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 4,305.56 square feet | 25 years with effect from January 28, 2021 |
| 6. | 400 M2 Warehouse T5-105, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 4,305.56 square feet | 25 years with effect from September 6, 2022 |
| 7. | 600 M2 Warehouse Q4-088 / Q4-089, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 12,916.70 square feet | 25 years with effect from November 6, 2023 |
| 8. | 151 Regal Row, Suite 201, Dallas, TX 75247 | Leased | Prologis | 11,000 square feet | 5 years with effect from September 6, 2024 |

For further information, see *"Our Business - Property"* on page 189. We cannot assure you that we will be able to continue operating out of these premises or renew the leases on favorable terms, or at all. Any inability to renew these leases or secure alternative premises in a timely manner may adversely impact our business, operations and financial condition.

Given that our operations are conducted primarily on premises leased from third parties, any encumbrance or adverse impact, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may adversely affect our business and results of operations. In the event of relocation, we may be required to obtain fresh regulatory licenses and approvals. Further, we cannot assure you that in the event of relocation we will be able to find suitable locations. Until we receive these, we may suffer disruptions in our operations and our business which may also adversely affect our business, results of operations and financial condition. While we have not faced any disruptions to our operations or business due to an inability to continue operating from leased premises or to seek renewal or extension of such leases in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we will not encounter such issues in the future. Any failure to continue operating out of our existing premises or to renew our leases on favourable terms, or at all, may adversely affect our business, financial condition, and results of operations.

***35. Any disruption or shutdown of our refurbishing facilities or warehouses, may adversely affect our business, results of operations and financial conditions***

We store our inventory in our warehouses located within India and outside India, from where our products are distributed. As on the date of this Draft Red Herring Prospectus, we had two warehouses and five refurbishing facilities cum warehouses. We store our inventory at our warehouses, and transport refurbished ICT Devices from warehouses to our customers, based on the orders received. While we monitor the inventory at our warehouses through an ERP system, if there is any disruption to the operations at our warehouses, or if we experience any shutdowns of our warehouses due to factors beyond our control, our supply chain and operations will be adversely affected, impacting our ability to honour our contractual obligations, which may expose us to legal claims. While we have not faced any such instances for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we will not face such instances in the future.

In addition, we plan our operations and take on distribution obligations factoring in the capacity of our warehouses, our delivery network and other factors. Failure to achieve optimal capacity utilisation of our warehouses would lead to inefficiencies in our operations, which may materially and adversely affect our cash flows, business, future financial performance and results of operations.

***36. Our Promoters and Promoter Group will continue to exercise significant influence over our Company after completion of the Offer.***

As on the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold in aggregate92,286,705 Equity Shares, which constitutes 95.01% on a fully diluted basis of the issued, subscribed and paid-up Equity Share capital of our Company. After the completion of the Offer, our Promoters and Promoter Group will continue to control our Company and exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our constituent documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures through their shareholding after the Offer. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favor and any such conflict may adversely affect our ability to execute our business.

***37. We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry-related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of businesses similar to ours, many of which provide such non-GAAP financial and operational measures, and other industry-related statistical and operational information. These non-GAAP financial and operational measures, and such other industry-related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry-related statistical information of similar nomenclature that may be computed and presented by other companies pursuing similar business.

In evaluating our business, we consider and use certain key performance indicators that are presented herein as supplemental measures to review and assess our operating performance. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools and may differ from, and may not be comparable to, estimates or similar metrics or information published by third parties and other peer companies due to differences in sources, methodologies, or the assumptions on which we rely, and hence their comparability may be limited. As a result, these metrics should not be considered in isolation or construed as an alternative to our financial statements or as an indicator of our operating performance, liquidity, profitability or results of operations. If our key performance indicators are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be materially and adversely affected, the market price of our shares may decline, we may be subject to shareholder litigation, and our business, results of operations, and financial condition may be materially adversely affected.

***38. Any withdrawal, or termination of, or unavailability of direct/ in-direct tax benefits and exemptions being currently availed by us may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our Company is presently entitled to certain direct and indirect tax benefits and incentives. As per Section 115BAA of the Income Tax Act as inserted vide the Taxation Laws (Amendment) Act, 2019, with effect from Financial Year

2021-22, 2022-23, 2023-24 (i.e. AY 2022-23, 2023-24, 2024-25), a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and cess of 4%) provided the company does not avail specified exemptions/incentives/ deductions or set-off of losses, unabsorbed depreciation and claiming depreciation in prescribed manner and complies with other conditions specified in section 115BAA of the Income Tax Act.

There can be no assurance that such tax benefits and incentives will be available to us in the future. Any withdrawal, termination, or delay in such benefits may reduce our cash flows, thereby adversely affecting our financial results, results of operations, and profitability. Furthermore, if we are unable to avail these tax benefits in the future, it may result in increased tax liabilities and reduced liquidity and have an adverse effect on our results of operations.

***39. If we are unable to raise additional capital or are unable to obtain financing on favourable terms or at all, our business, results of operations, cash flows and financial condition may be adversely affected.***

Our business requires a significant amount of working capital and as on September 30, 2024, we had working capital of ₹ 3,529.95 million. We will continue to incur significant expenditure in management and growing the infrastructure at our existing refurbishing facilities. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our internal accruals and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing may adversely affect our growth strategy. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on favourable terms, or at all, our business, results of operations, cash flows and financial condition may be adversely affected.

We may also require additional cash resources due to future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional Equity Shares or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties. In addition, incurring indebtedness would subject us to increased debt service obligations and may result in operating and financial covenants that would restrict our operations. Our ability to access international capital and lending markets may be restricted at a time when we would like, or need, to do so, especially during times of increased volatility and reduced liquidity in global financial markets and stock markets, including due to policy changes and regulatory restrictions, which could limit our ability to raise funds.

While we have not faced issues in raising capital or obtaining financing on favourable terms in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, there can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, may impact our liquidity as well as have a material adverse effect on our business, cash flows, financial condition and results of operations.

***40. Cyber threats and non-compliance with and changes in privacy laws and regulations may have an adverse effect on our business, results of operations and financial condition and cash flows.***

We may face cyber threats such as (i) phishing and trojans, wherein fraudsters send unsolicited mails to the various parties seeking account sensitive information or to infect their systems to search and attempt ex-filtration of account sensitive information; (ii) hacking – wherein attackers seek to hack into our website and portal with the primary intention of causing reputational damage to us by disrupting services; (iii) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iv) advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time with an intention to steal our data or information rather than to cause damage to our network or organization. In the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have not experienced any significant incidents of phishing, trojans, hacking, data theft, or advanced persistent threats have compromised our data or disrupted our services. We continue to implement robust cybersecurity measures to safeguard against these threats and protect our network and information.

We process and transfer data, including personal information, financial information and other confidential data provided to us by constituents. Although we maintain systems and procedures to prevent unauthorized access and other security breaches, it is possible that unauthorized individuals could improperly access our systems, or improperly obtain or disclose sensitive data that we process or handle. Data security breaches could lead to the loss of intellectual property or may lead to the public exposure of personal information (including sensitive financial and personal information) of constituents. Any such security breaches or compromises of technology systems may result in damage to our reputation, institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and results of operations.

41. ***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 entered into various transactions with related parties in the past and from time to time, we may enter into related party transactions in the future. While all such transactions have been conducted on an arm's length basis and in compliance with applicable law, including the Companies Act, 2013 and SEBI Listing Regulations, and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. For details on our related party transactions, see "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24"* on page 273.

The table below provides details of our related party transactions for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(*in ₹ million*)

| Sr. No | Particulars | Nature of Transactions | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|---|
| 1 | Kay Kay Overseas Corporation | Sales | 5.27 | 0.73 | 10.36 | 31.23 |
| | | Purchase | 730.54 | 454.49 | 541.17 | 260.44 |
| 2 | R2 Venture | Sales | 0.02 | Nil | Nil | 0.31 |
| | | Purchase | 23.78 | 40.37 | 19.11 | 32.14 |
| 3 | Electronics Bazaar Inc | Sales | 1,092.41 | 1,298.72 | 476.35 | 0.28 |
| | | Purchase | 890.57 | 1,661.70 | 669.12 | Nil |
| | | Foreign exchange Gain/(Loss) | 0.00 | 0.42 | Nil | Nil |
| 4 | Amiable Electronics Private Limited | Sales | 0.52 | 0.87 | Nil | Nil |
| | | Purchase | 218.95 | Nil | Nil | Nil |
| 5 | RR Enterprise | Sales | 93.02 | 589.90 | 85.95 | 107.40 |
| | | Purchase | 27.66 | 565.18 | 418.37 | 287.98 |
| 6 | Sharad Khandelwal | Managerial Remuneration | Nil | 6.00 | 6.00 | Nil |
| 7 | Vidhi Sharad Khandelwal | Managerial Remuneration | Nil | 6.00 | 6.00 | Nil |
| 8 | Amit Midha | Unsecured loan | 585.62 | Nil | Nil | Nil |

For the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, sales from our related party transactions contributed approximately 19.59%, 16.61%, 8.68% and 2.67% of our total revenue, respectively. For more information, see "*Financial Information*", on page 229.

Our related party transactions may potentially involve conflicts of interest and may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. It is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, even if entered into at arms-length terms, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For further details of the related party transactions, see "*Financial Information – Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24*" on page 273.

42. ***Certain of our Promoters, members of Promoter Group, Directors and Key Managerial Personnel have interests in our Company in addition to their normal remuneration or benefits and reimbursement of expenses incurred.***

Certain of our Promoters, members of Promoter Group, Directors and Key Managerial Personnel have interests in our Company that are in addition to reimbursement of expenses and normal remuneration or benefits payable to them. Our Promoter, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares and to the extent of their participation in the Offer as Selling Shareholders. Additionally, certain of our Directors (excluding our Independent Directors), Key Managerial Personnel and Senior Management may also be interested to the extent of employee stock options granted by our Company from time to time pursuant to the ESOP Scheme. For more information on the Selling Shareholders, see "*The Offer*" on page 58.

We cannot assure you that our Promoter, Directors and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. The interest of our Directors, Key Managerial Personnel and Senior Management Personnel may conflict with the interest of our Company and may be detrimental to our Company's interest. There can be no assurance that our Directors, Key Managerial Personnel and Senior Management Personnel will be able to address such conflicts of interest in the future. For further details of such interests, see "*Our Management – Interest of Directors*", "*Our Management – Interests of Key Managerial Personnel and Senior Management*" and "*Financial Information – Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24*" on pages 210, 221, and 273, respectively. For further details of our Promoter, see "*Our Promoter and Promotor Group*" on page 223.

43. ***Our Subsidiaries (including step down subsidiaries) and other firms operated by one of our Promoters, have common pursuits vis-à-vis our Company, which may in future lead to conflict of interest.***

Our Subsidiaries are engaged in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst them and our Company. Given that these subsidiaries are subsidiaries as on date, there is no conflict of interest between our Company and Subsidiaries. However, we cannot assure you that there will not be any conflict of interest between our Company in the future, our Subsidiaries or our Group Company in future. For details, refer to "*Group Company*" on page 329. Our Directors, Key Managerial Personnel and Senior Management may have interests in our Company in addition to their remuneration and reimbursement of expenses. In the event that our Subsidiaries cease to be our wholly owned subsidiaries in the future, there can be no assurance that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance.

44. ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may have an adverse effect on our business, results of operations, cash flow and financial condition.***

The principal types of coverage under our insurance policies include fire, damage to buildings, plant and machinery, inventory, vehicles; burglary and theft; workmen compensation policy; and personal accident and medi-claim policy of employees. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses, or that our insurance premiums will not change substantially. The table below sets forth information of insurance cover on assets of our Company for the six months period ended September 30, 2024, Fiscal 2024, 2023 and 2022:

*(in ₹ million, unless specified otherwise)*

| Particulars | As of six months period September 30, 2024 | As of | | |
|---|---|---|---|---|
| | | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Insured Assets | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| Uninsured Assets | 309.74 | 312.90 | 78.86 | 74.25 |
| Insurance Coverage | 4,402.70 | 3,096.25 | 1,605.00 | 1,431.00 |
| Insurance Coverage (in terms of %) | 115.50% | 98.52% | 118.89% | 126.93% |

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, and while we have no reason to believe that we will not be able to renew our existing insurance coverage as and when such policies expire or obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct our businesses as now conducted. We have not faced any issued with insurance coverage renewals in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered in full or part by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows may be adversely affected. While we have not witnessed any issues in relation to claim rejections in the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we will not encounter such issues in the future. For further details on our insurance arrangements, see "*Our Business – Insurance and Warranties*" on page 188.

45. ***Some of our Directors may not have prior experience as directors of companies listed on recognized stock exchanges in India.***

Some of our Directors may not have experience as directors of companies listed on recognized stock exchanges in India. Directors of companies listed on recognized stock exchanges in India typically have a wide range of responsibilities, including, among others, ensuring compliance with continuing listing obligations, monitoring and overseeing management, operations, financial condition and trajectory of the company. We cannot assure you that our

Directors will be able to adequately manage our Company after we become a listed company, due to their lack of prior experience as directors of companies listed on recognized stock exchanges. Accordingly, we will get limited guidance from them and accordingly, may fail to maintain and improve the effectiveness of our disclosure controls, procedures and internal control as required for a listed entity under the applicable law.

46. ***Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations.***

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 84. Our funding requirements are based on management estimates, current circumstances of our business and prevailing market conditions and are not appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board.

Accordingly, investors in the Offer will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations. Whilst a monitoring agency will be appointed, for monitoring utilisation of the Gross Proceeds, the proposed utilisation of the proceeds is based on current conditions, our business plans and internal management estimates, appraisal report and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. 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.

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all, in the event we need to make such changes. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Pursuant to the Companies Act, the Promoters and controlling Shareholders of our Company, as at the time of such proposed variation, 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 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the provisions of the Companies Act and the SEBI ICDR Regulations.

The requirement to provide an exit opportunity to such dissenting shareholders may deter our Promoters and controlling Shareholders, as at the time of the proposed variation, from agreeing to any changes made to the proposed utilization of the Net Proceeds, even if such change is in our interest. Furthermore, we cannot assure you that such Promoters and controlling Shareholders will have adequate resources to provide an exit opportunity at the price prescribed by SEBI. For further details on exit opportunity to dissenting shareholders, see "*Objects of the Offer—Variation in Objects*" on page 97. In light of these factors, we may not be able to undertake variation of object of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the un-utilized portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business, results of operations and cash flows.

47. ***Our Company's management will have flexibility in utilizing the Net Proceeds, subject to certain approvals. There is no assurance that the Objects of the Offer will be achieved within the timeframe expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution.***

Our Company intends to use the Net Proceeds from the Fresh Issue towards funding the following objects:

- Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and Subsidiaries;
- Funding working capital requirements of our Company and Subsidiaries; and
- General Corporate Purposes.

For details, see "*Objects of the Offer*" on page 84. The funding plans are based on management estimates and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. Further, in accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilization of Gross Proceeds prior to filing of the Red Herring Prospectus with the RoC. The management of our Company will have discretion to use the Net Proceeds, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds. Our Company may have to revise its management estimates from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest or exchange rate fluctuations, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

***48. Certain information in this Draft Red Herring Prospectus is based on our internal classification methodologies, which may change, and which may or may not be consistent with companies operating in our industry, and hence we cannot assure you of the completeness or the accuracy of such data.***

Certain statements contained in this Draft Red Herring Prospectus, such as the categorization of our customers and the revenues generated from our business, are based on our internal classification methodologies and the way we operate our business. There may be differences in how we and other companies in the refurbished electronics industry categorize customers. Depending on our strategic focus and business priorities, this categorization may change, and there is no assurance that we will continue to see a substantial part of our business coming from such customers. This shift may subject us to competitive pricing pressures, increased discounts, and reduced profit margins, all of which may negatively impact our results of operations and financial condition.

Additionally, we cannot assure you that our internal classification methodologies will always provide a complete and accurate representation of our business operations. Any changes in these methodologies may affect how we report and analyze our financial and operational performance, potentially leading to variations in key performance indicators. Furthermore, if our methodologies differ from those used by other companies in the refurbished electronics industry, it may result in misinterpretations or inaccurate comparisons of our financial condition and results of operations.

***49. Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.***

We have commissioned and availed the services of an independent third-party research agency, Lattice Technologies Private Limited to prepare the report titled "*Electronics Refurbishment Industry Report*" dated December 12, 2024 (the "***1Lattice Report***"), for purposes of inclusion of such information in this Draft Red Herring Prospectus to understand the industry in which we operate pursuant to engagement letter dated September 11, 2024. A copy of the 1Lattice Report is available on our website at https://www.electronicsbazaar.com/investor. The 1Lattice Report has been exclusively commissioned by our Company and paid for by our Company. Our Company, Directors, Key Managerial Personnel and the book-running lead managers ("**BRLMs**") are not related to Lattice Technologies Private Limited. We have no direct or indirect association with Lattice Technologies Private Limited other than as a consequence of such an engagement. Certain information in this section and "*Industry Overview,*" "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 112, 169 and 295, respectively, have been derived from the 1Lattice Report.

Further, the 1Lattice Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends. The 1Lattice Report may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. The 1Lattice Report also highlights certain industry, peer and market data, which may be subject to assumptions.

There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Furthermore, such assumptions may change based on various factors. We cannot assure you that the assumptions in the 1Lattice Report are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as expert advice or investment advice. Prospective investors are advised not to unduly rely on the 1Lattice Report or extracts thereof as included in this Draft Red Herring Prospectus when making their investment decisions. For further information, see "*Industry Overview*" on page 112.

***50. Our Company will not receive any proceeds from the Offer for Sale portion. The Selling Shareholders will receive the net proceeds from such Offer for Sale.***

The Offer consists of the Offer for Sale. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders (after deducting applicable Offer Expenses and our Company will not receive any such proceeds. None of our Directors or Key Managerial Personnel and Senior Management will receive, in whole or in part, any proceeds from the Offer. For further information, see "*The Offer*" and "*Objects of the Offer*" on pages 58 and 84, respectively.

***51. We are exposed to risks related to export duties and international trade regulations and export incentive.***

Countries to which we export may impose varying duties on our products. Any increase in such duties may adversely affect our business and the results of operations. With increasing adoption of refurbished products, we supply our refurbished products to various international markets. These markets are subject to their own regulatory frameworks, including the imposition of duties and tariffs on imported goods. Changes in trade policies or the imposition of higher duties by these countries can impact our cost structure and pricing strategy. The table below sets forth information of export incentive of our Company for the six-month period ended September 30, 2024, Fiscal 2024, 2023 and 2022:

*(in ₹ million)*

| **Particulars** | **As of** | | | |
|---|---|---|---|---|
| | **Six months period ended September 30, 2024** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
| Export Incentive | 8.73 | 7.17 | 0.80 | 0.16 |
| % of revenue operations | 0.14% | 0.06% | 0.01% | 0.00% |

Additionally, navigating the complexities of varying international trade regulations can introduce compliance risks and operational inefficiencies. While we have not faced significant adverse effects from export duties or international trade regulations in the six-months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we cannot assure you that we will not experience such impacts in the future. An increase in export duties or the introduction of new trade barriers could lead to reduced profit margins, decreased sales volumes, and overall adverse effects on our business, results of operations, and financial condition. As we continue to expand our international presence, we must remain vigilant in monitoring these regulatory changes and adaptable in our strategies to mitigate potential adverse impacts.

[*Page left blank intentionally*]

## EXTERNAL RISK FACTORS

***52. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

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

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

***53. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This may have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

***54. Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and financial condition.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy may harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, may adversely affect our results of operations, financial condition or cash flows. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India may have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse effect on our business and the market price of the Equity Shares.

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

Our Company is incorporated under the laws of India. Most of our Company's assets are located in India and all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy or if judgments are in breach or contrary to Indian law.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the UK, Singapore, United Arab Emirates and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the CPC. The U.S. and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the U.S., for civil liability, whether or not predicated solely upon the general laws, including securities laws of the non-reciprocating territory, including U.S., would not be enforceable in India under the CPC as a decree of an Indian court. The UK, Singapore, United Arab Emirates and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The CPC only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. 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 new suit in a competent court in India based on a final judgment that has been obtained in the U.S. or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgement rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy or Indian law. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

***57. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.***

Our Restated Consolidated Financial Information for six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from the audited financial statements of our Company as at six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 prepared in accordance with the Indian Accounting Standards (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. The aforementioned financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statement were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

***58. We may be affected by competition laws in India, the adverse application or interpretation of which may have an adverse effect on our business, operations and financial condition.***

The Competition Act, 2002 ("**Competition Act**"), as amended, was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. In addition, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia,* modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct, or combination occurring outside India if such agreement, conduct, or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered by us cannot be predicted with certainty at this stage. We may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and financial condition.

***59. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

*Risks Related to the Offer and Investments in our Equity Shares*

***60. The determination of the Price Band is based on various factors and assumptions, and the Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.***

The determination of the Price Band is based on various factors and assumptions and will be determined in accordance with applicable law and in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company, in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 98 and may not be indicative of the market price for the Equity Shares after the Offer. Further, there can be no assurance that our key performance indicators ("**KPIs**") will improve or become higher than our listed comparable industry peers in the future or whether we will be able to successfully compete against the listed comparable industry peers in these KPIs in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of our Equity Shares. Moreover, there are no standard methodologies in the industry for the calculations of such KPIs and as a result, the listed comparable industry peers may calculate and present such financial ratios in a different manner. There can be no assurance that our methodologies are correct or will not change and accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. 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. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, 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. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Additionally, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

***62. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, 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 Issue. 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. Our Equity Shares are expected to trade on NSE and BSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after the Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- the failure of security analysts to cover the Equity Shares after the Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;

- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

63. ***Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. The Offer Price of our Equity Shares will be determined in accordance with applicable law and in consultation with the BRLMs, through the Book Building Process. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. These will be based on numerous factors, some of which are beyond our control, including factors as described under "*Basis for the Offer Price*" on page 98 and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our 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, volatility in the Stock Exchanges, securities markets in other jurisdictions, strategic actions by us or our competitors, 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. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. 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 is no assurance that investors in our Equity Shares will be able to resell their Equity Shares at or above the Offer Price.

64. ***Any future issuance of our Equity Shares or convertible securities or other equity linked instruments by us may dilute prospective investors' shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

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

65. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.***

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

66. ***QIBs and Non-Institutional Bidders 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 Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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. Similarly, Retail Individual Bidders can revise or withdraw their bids at any time during the Bid/Offer Period and until the Bid/Offer Closing Date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of our Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment within such period as may be prescribed by the SEBI, adverse events affecting the investors' decision to invest in our Equity Shares may arise between the date of submission of the Bid and Allotment. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing.

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

Under the Companies Act, a company incorporated in India and having share capital must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such a custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional equity interests in us may be reduced. In addition, we may suffer continued risk of dilution if shareholders pass special resolutions for preferential issues or take any other similar actions.

68. ***Investors will not be able to sell any Equity Shares on the Stock Exchange until we receive the appropriate listing and trading approvals.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment and transfer of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately two Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within three Working Days of the Bid Closing Date. There could be a failure or delay in the listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We may also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

69. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. On listing, we may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

***70. 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 wide spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

***71. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results***

Upon listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

## SECTION III – INTRODUCTION

## THE OFFER

The following table summarizes details of the Offer:

| | |
|---|---|
| **Offer of Equity Shares** (1)^ | Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹ [●] million |
| *Of which:* | |
| Fresh Issue(1)^ | Up to [●] Equity Shares of face value of ₹2 each, aggregating up to ₹ 8,250.00 million |
| Offer for Sale(2)(3) | Up to 9,700,000 Equity Shares of face value of ₹2 each, aggregating up to ₹ [●] million |
| **The Offer comprises of:** | |
| **A) QIB Portion(4)(5)(6)** | Not more than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million |
| *of which*: | |
| (i) Anchor Investor Portion(6) | Up to [●] Equity Shares of face value of ₹2 each |
| (ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Up to [●] Equity Shares of face value of ₹2 each |
| *of which:* | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Up to [●] Equity Shares of face value of ₹2 each |
| (b) Balance of QIB Portion for all QIBs including Mutual Funds | Up to [●] Equity Shares of face value of ₹2 each |
| | |
| **B) Non-Institutional Portion(4)(5)** | Not less than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million |
| *of which:* | |
| (a) One-third available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million | Up to [●] Equity Shares of face value of ₹2 each |
| (b) Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million | Up to [●] Equity Shares of face value of ₹2 each |
| | |
| **C) Retail Portion(4)(5)** | Not less than [●] Equity Shares of face value of ₹2 each aggregating up to ₹ [●] million |
| | |
| **Pre- and post-Offer Equity Shares** | |
| Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus) | 97,133,880 Equity Shares of face value of ₹2 each |
| Equity Shares outstanding after the Offer* | [●] Equity Shares of face value of ₹2 each |
| | |
| **Use of Net Proceeds of the Offer** | See "*Objects of the Offer*" on page 84 for information about the use of the Net Proceeds of the Offer. Our Company will not receive any proceeds from the Offer for Sale. |

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

.^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

*(1) The Offer has been authorized pursuant to the resolution passed by our Board dated December 4, 2024. The Fresh Issue has been authorized by our Shareholders by a special resolution dated December 5, 2024. Further, our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated December 13, 2024.*

*(2) Our Selling Shareholders has confirmed and authorised its participation in the Offer for Sale as set out below:*

| S. No. | Selling Shareholders | Offered Shares* | Aggregate amount of Offer for Sale (in ₹ million) | Date of consent letter | Date of board resolution |
|---|---|---|---|---|---|
| 1. | Sharad Khandelwal | Up to 35,000 Equity Shares of face value of ₹ 2 each | Up to [●] | December 13, 2024 | NA |
| 2. | Vidhi Sharad Khandelwal | Up to 35,000 Equity Shares of face value of ₹ 2 each | Up to [●] | December 13, 2024 | NA |
| 3. | Amiable Electronics Private Limited | Up to 9,630,000 Equity Shares of face value of ₹ 2 each | Up to [●] | December 13, 2024 | December 11, 2024 |

* *To be updated at Prospectus stage.*

(3) *The Equity Shares held by the respective Selling Shareholders and being offered by the Selling Shareholders are eligible to form a part of the Offer for Sale in terms of the SEBI ICDR Regulations. Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares being offered by it are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 331.*

(4) *Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Undersubscription in the Offer, if any, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see "Offer Structure" on page 352.*

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investors 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. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1.00 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 Investors shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*

(6) *Our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly 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 Investors Allocation Price. In case of under-subscription or non- Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back 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 of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. For further information, see "Offer Procedure" on page 355.*

For further details including in relation to grounds for rejection of Bids, see *"Offer Structure"*, *"Offer Procedure"* and "*Terms of the Offer*" on pages 352, 355 and 345.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Consolidated Financial Information as at for the six months period ended September 30, 2024 and for Fiscal 2024, Fiscal 2023 and Fiscal 2022.

*The Restated Consolidated Financial Information referred to above are presented under "Financial Information" on page 229. The summary financial information presented below should be read in conjunction with "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 229 and 295, respectively.*

*[The remainder of this page has intentionally been left blank]*

## Restated Consolidated Statement of Assets and Liabilities

*(₹ in million, unless otherwise stated)*

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(A) Non-current assets** | | | | |
| a) Property, plant and equipment | 309.74 | 312.90 | 78.86 | 74.25 |
| b) Capital work in progress | - | - | 6.99 | - |
| c) Right-of-use assets | 77.18 | 94.88 | 87.90 | 18.50 |
| (i) Other financial assets | 24.10 | 81.86 | 30.56 | 8.54 |
| e) Deferred tax assets | - | - | 2.13 | 2.04 |
| f) Other non-current assets | 1.25 | 1.49 | 1.99 | 0.05 |
| | **412.26** | **491.13** | **208.43** | **103.37** |
| **(B) Current assets** | | | | |
| a) Inventory | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| b) Financial assets | | | | |
| (i) Investments | 73.65 | 70.12 | - | - |
| (ii) Trade receivables | 1,801.80 | 1,169.06 | 911.44 | 421.83 |
| (ii) Cash and cash equivalents | 42.20 | 49.92 | 20.60 | 8.76 |
| (iii) Bank balances other than cash and cash equivalents | 820.92 | 629.13 | 253.70 | 202.72 |
| c) Current Tax Assets (Net) | - | 9.68 | 11.29 | - |
| d) Other current assets | 449.88 | 296.57 | 99.61 | 83.00 |
| | **7,000.16** | **5,367.10** | **2,646.59** | **1,843.72** |
| | | | | |
| **Total assets** | **7,412.42** | **5,858.24** | **2,855.02** | **1,947.09** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| a) Equity share capital | 0.39 | 0.39 | 0.39 | 0.39 |
| b) Other equity | 1,975.67 | 1,631.02 | 1,115.56 | 793.19 |
| Equity attributable to owners of the Holding company | **1,976.06** | **1,631.41** | **1,115.95** | **793.57** |
| Non controlling interest | 5.48 | 4.39 | 2.32 | 1.32 |
| **Total equity** | **1,981.54** | **1,635.80** | **1,118.26** | **794.89** |
| | | | | |
| **Liabilities** | | | | |
| Non-current liabilities | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 781.49 | 81.77 | 131.31 | 158.86 |
| (ii) Lease liabilities | 54.51 | 67.92 | 65.21 | 6.94 |
| b) Provisions | 6.72 | 4.07 | 1.62 | 4.03 |
| c) Deferred Tax Liabilities | 11.96 | 8.96 | - | - |
| | **854.67** | **162.73** | **198.14** | **169.82** |
| **Current liabilities** | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 4,086.20 | 3,096.33 | 1,006.24 | 571.97 |
| (ii) Lease liabilities | 26.92 | 26.36 | 18.43 | 11.95 |
| (iii) Trade payables | | | | |
| (a) total outstanding dues of micro and small enterprises | 2.74 | - | - | - |
| (b) total outstanding dues other than micro and small enterprises | 298.57 | 841.16 | 104.05 | 113.72 |
| (iv) Other Liabilities | 122.01 | 45.22 | 382.67 | 271.85 |
| b) Provisions | 33.55 | 44.53 | 20.74 | 7.71 |
| c) Current Tax Liability (Net) | 3.35 | - | - | 2.63 |
| d) Other current liabilities | 2.88 | 6.11 | 6.48 | 2.55 |
| | **4,576.21** | **4,059.71** | **1,538.61** | **982.38** |
| **Total liabilities** | **5,430.88** | **4,222.44** | **1,736.75** | **1,152.20** |
| | | | | |
| **Total Equity and liabilities** | **7,412.42** | **5,858.24** | **2,855.02** | **1,947.09** |

## Restated Consolidated Statement of Profit and Loss

*(₹ in million, unless otherwise stated)*

| Particulars | | For the six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|
| **I** | **Revenue** | | | | |
| | Income | | | | |
| | Revenue from Operations | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| | Other income | 50.10 | 56.59 | 32.44 | 14.24 |
| | **Total income (I)** | **6,129.72** | **11,437.97** | **6,627.86** | **5,219.19** |
| **II** | **Expenses** | | | | |
| | Direct cost | 5,722.48 | 11,772.53 | 5,806.54 | 4,778.67 |
| | Changes in Inventory of Finished Goods | (669.08) | (1,792.67) | (222.56) | (190.23) |
| | Employee benefits expense | 251.07 | 355.94 | 196.16 | 95.39 |
| | Finance costs | 194.32 | 239.27 | 118.41 | 82.21 |
| | Depreciation and amortisation expenses | 46.05 | 36.54 | 27.80 | 22.05 |
| | Other expenses | 191.56 | 253.13 | 347.32 | 188.66 |
| | **Total expenses (II)** | **5,736.39** | **10,864.74** | **6,273.67** | **4,976.74** |
| **III** | **Restated Profit Before exceptional items & taxes** | **393.33** | **573.23** | **354.19** | **242.45** |
| **IV** | **Restated Profit Before taxes** | **393.33** | **573.23** | **354.19** | **242.45** |
| | | | | | |
| | (i) Current tax | 27.90 | 39.10 | 30.00 | 24.80 |
| | (ii) Deferred tax | 3.00 | 11.08 | (0.09) | (0.86) |
| | (iii)Short/(Excess) Provisions of Income Tax of earlier years | 10.31 | - | - | 0.81 |
| | **Total tax expenses** | **41.21** | **50.18** | **29.91** | **24.75** |
| **V** | **Restated Profit for the year** | **352.12** | **523.05** | **324.28** | **217.70** |
| | | | | | |
| **VI** | **Restated Other comprehensive income** | | | | |
| | Items that will not be reclassified to profit or loss | | | | |
| | - Re-measurement gains/(losses) on defined benefit plans | (0.51) | 0.42 | (0.27) | 1.09 |
| | Foreign Exchange difference on Translation of Foreign operations | (5.86) | (5.93) | (0.69) | (4.06) |
| | | | | - | |
| | | | | | |
| | Total Restated comprehensive income for the year | (6.38) | (5.51) | (0.96) | (2.98) |
| | | | | | |
| | Restated comprehensive income for the year | 345.75 | 517.54 | 323.32 | 214.73 |
| | | | | | |
| | Restated Net Profit Attributable to: | | | | |
| | Owners of the company | 351.00 | 521.38 | 323.28 | 217.13 |
| | Non-Controlling interest | 1.12 | 1.67 | 1.00 | 0.57 |
| | | | | | |
| | Restated Other Comprehensive Income Attributable to: | | | | |
| | Owners of the company | (6.35) | (5.49) | (0.96) | (2.96) |
| | Non-Controlling interest | (0.03) | (0.02) | (0.00) | (0.02) |
| | | | | | |
| | Restated Total Comprehensive Income Attributable to: | | | | |
| | Owners of the company | 344.65 | 515.47 | 322.32 | 214.17 |
| | Non-Controlling interest | 1.10 | 2.07 | 0.99 | 0.56 |
| | | | | | |
| | Restated Earnings per equity share (in INR) face value INR 2 each attributable to equity shareholders of the present) (Refer Note 34) | | | | |
| | (1) Basic | 3.61* | 5.37 | 3.33 | 2.24 |
| | (2) Diluted | 3.61* | 5.37 | 3.33 | 2.24 |

* *Not annualised.*

## Restated Consolidated Statement of Cash flows

*(₹ in million)*

| | Particulars | For the six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|---|
| **A** | **OPERATING ACTIVITIES** | | | | |
| | Profit before tax | 393.33 | 573.23 | 354.19 | 242.45 |
| | Adjustment for:- | | | | |
| | Depreciation and amortization | 46.05 | 36.54 | 27.80 | 22.05 |
| | Fair value gain on shares and mutual funds-unrealised | (3.53) | (2.62) | - | - |
| | Interest Expenses | 194.32 | 239.27 | 118.41 | 82.21 |
| | Interest income | (25.96) | (26.95) | (12.03) | (9.01) |
| | Foreign exchange translation reserve | (5.86) | (5.93) | (0.69) | (4.06) |
| | Re-measurement gains/(losses) on defined benefit plans | (0.51) | 0.42 | (0.27) | 1.09 |
| | Operating profit/(loss) before working capital changes | 597.83 | 813.95 | 487.41 | 334.73 |
| | Working capital adjustments: | | | | |
| | (Increase)/Decrease in Inventories | (669.08) | (1,792.67) | (222.56) | (190.23) |
| | (Increase)/Decrease in Working Capital Loan (WCL) | 1,498.68 | 2,070.62 | 443.13 | (154.82) |
| | (Increase)/Decrease in trade receivables | (632.74) | (257.62) | (489.61) | (25.80) |
| | (Increase)/Decrease in Financial & Other current assets | (92.30) | (236.68) | (40.66) | (0.13) |
| | (Increase)/Decrease in current and non current provisions | (8.33) | 23.79 | 13.03 | 1.92 |
| | (Increase)/Decrease in trade payables | (539.86) | 737.11 | (9.67) | (248.94) |
| | (Increase)/Decrease in Current Tax Assets (Net) | 9.68 | 1.61 | (11.28) | - |
| | Increase/Decrease in Current Tax Liability (Net) | 3.35 | - | (2.63) | 2.63 |
| | Increase/Decrease in Financial and other Current liabilities | 73.55 | (335.37) | 112.35 | 267.13 |
| | Cash generated from/(used in) operations | 240.77 | 1,024.75 | 279.51 | (13.51) |
| | Income tax paid (net of refunds) | (41.21) | (50.18) | (29.91) | (24.75) |
| | Net Cash flow generated from/(used in) operating activities (i) | 199.56 | 974.57 | 249.59 | (38.26) |
| | | | | | |
| **B** | **INVESTING ACTIVITIES** | | | | |
| | Purchase of property, plant and equipment, intangible assets including Capital work in progress | (25.19) | (240.28) | (23.18) | (12.57) |
| | Interest Income | 25.96 | 26.95 | 12.03 | 9.01 |
| | Short Term Capital Gain | | | | |
| | Investment in mutual funds | - | (67.50) | | |
| | Net Cash used in Investing activities (ii) | 0.77 | (280.83) | (11.15) | (3.56) |
| | | | | | |
| **C** | **FINANCING ACTIVITIES** | | | | |
| | Proceeds from Long term Borrowings | 226.67 | 0.00 | 3.65 | 114.50 |
| | Repayment of Long term Borrowings | (35.77) | (30.07) | (40.05) | (49.25) |
| | Payment of Lease Liabilities | (12.85) | (19.64) | (20.88) | (10.83) |
| | Proceeds from issue of equity shares | | | 0.05 | 76.17 |
| | Finance charges paid | (194.32) | (239.27) | (118.41) | (82.21) |
| | Deferred borrowing cost | | | | |
| | Net Cash generated from financing activities (iii) | (16.26) | (288.98) | (175.65) | 48.38 |
| | | | | | |
| **D** | **Net increase/(decrease) in cash and cash equivalents (i+ii+iii)** | 184.07 | 404.76 | 62.80 | 6.56 |
| | | | | | |
| | Cash and cash equivalents at the beginning of the year | 679.05 | 274.29 | 211.49 | 204.93 |
| | | | | | |
| | Cash and cash equivalents at the end of the year | 863.12 | 679.05 | 274.29 | 211.49 |
| | Notes to the Cash Flow Statement | | | | |
| | The accompanying notes form an integral part of the financial statements. | | | | |
| | As per our report of even date attached | | | | |
| | Cash and Cash Equivalent Comprises of | | | | |
| | Cash on Hand | 4.74 | 1.96 | 2.35 | 0.85 |
| | Balance In Current account | 37.45 | 47.96 | 18.25 | 7.92 |
| | Bank balances other than cash and cash equivalents | 820.92 | 629.13 | 253.70 | 202.72 |
| | Cash and Cash Equivalent in Cash Flow Statement | 863.12 | 679.05 | 274.29 | 211.49 |

## GENERAL INFORMATION

**Registered and Corporate Office of our Company**

**GNG Electronics Limited**
Unit No. 415, Hubtown Solaris,
N.S. Phadke Marg, Andheri (East),
Mumbai - 400069, Maharashtra, India.
**Telephone**: +91 22 3123 6588
**Website**: www.electronicsbazaar.com

For details of change in our registered office, see "*History and Certain Corporate Matters – Change in the registered office of our Company*" on page 196.

**Company registration number and corporate identity number**

(a) **Registration number**: 165194

(b) **Corporate identity number**: U72900MH2006PLC165194

**Address of the RoC**

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

**Registrar of Companies, Maharashtra at Mumbai**
100, Everest, Marine Drive
Mumbai 400 – 002
Maharashtra, India

**Board of Directors**

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

| Name | Designation | DIN | Address |
|---|---|---|---|
| Sharad Khandelwal | Managing Director | 03282602 | A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India. |
| Vidhi Sharad Khandelwal | Non-Executive Director | 03285189 | A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India. |
| Ajay Pancholi | Non-Executive Non-Independent Director | 05168823 | B-5301, Raheja Imperia 1 Shankar Rao Naram Path Opp World Tower BMC Parking Gate Worli, Lower Parel Mumbai – 400013, Maharashtra, India. |
| Amit Midha | Non-Executive Non-Independent Director | 09344884 | House 11 Ardmore Park 29-01 Tower 2, Ardmore Park Luxury Apts. Singapore – 259957. |
| Sheetalkumar Dak | Independent Director | 00017579 | Oberoi Eternia, C-2806, 28th Floor, LBS Road, Near Johson and Johnson Garden, Mulund (West), Mumbai - 400 080, Maharashtra, India. |
| Rinku Vikas Arora | Chairperson and Independent Director | 01881530 | Flat no 705, Raheja Crest 1, Andheri Link Road, Behind Infiniti Mall Andheri West, Azad Nagar, Mumbai – 400053. |

For further details of our Board of Directors, see "*Our Management – Board of Directors*" on page 206.

**Company Secretary and Compliance Officer**

Sarita Tufani Vishwakarma is our Company Secretary and Compliance Officer. Her contact details are as set forth below:

Unit No. 415, Hubtown Solaris,
N.S. Phadke Marg, Andheri (East),
Mumbai - 400069, Maharashtra, India
**Telephone:** + 91 22 3123 6588
**E-mail:** compliance@electronicsbazaar.com

**Investor grievances**

Bidders may contact the Company Secretary and Compliance Officer, BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related queries, grievances and for redressal of complaints including 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) with whom the Bid cum Application Form was submitted, giving 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, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose a copy of the Acknowledgment Slip or provide the application number received from the Designated Intermediary(ies) in addition to the documents or 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 Registrar to the Offer, 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 BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

**Book Running Lead Managers**

**Motilal Oswal Investment Advisors Limited**
Motilal Oswal Tower, Rahimtullah, Sayani Road,
Opposite Parel ST Depot, Prabhadevi,
Mumbai 400 025,
Maharashtra, India
**Telephone:** +91 22 7193 4380
**Email**: gngelectronics.ipo@motilaloswal.com
**Website**: www.motilaloswalgroup.com
**Investor grievance E-mail**:
moiaplredressal@motilaloswal.com
**Contact person**: Ritu Sharma/ Ronak Shah
**SEBI registration no.**: INM000011005

**IIFL Capital Services Limited**
**(***formerly known as IIFL Securities Limited***)**
24th Floor, One Lodha
Place Senapati Bapat Marg,
Lower Parel (W) Mumbai – 400 013
Maharashtra, India
**Telephone**: +91 22 4646 4728
**Email**: gngelectronics.ipo@iiflcap.com
**Website**: www.iiflcap.com
**Investor grievance E-mail**: ig.ib@iifcap.com
**Contact person**: Dhruv Bhavsar / Pawan Kumar Jain
**SEBI registration no.**: INM000012029

**JM Financial Limited**
7th Floor, Cnergy,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025
Maharashtra, India
**Telephone:** +91 22 6630 3030
**Email**: gngelectronics.ipo@jmfl.com
**Website**: www.jmfl.com
**Investor grievance E-mail**: grievance.ibd@jmfl.com
**Contact person**: Prachee Dhuri
**SEBI registration no.**: INM000010361

**Statement of *inter-se* allocation of responsibilities among the BRLMs**

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

| Sr No. | Activity | Responsibility | Co-ordination |
|---|---|---|---|
| 1. | Capital structuring, positioning strategy, due diligence of our Company including its operations/management, legal etc. Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with the SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities. | All BRLMs | MO |
| 2. | Drafting and approval of statutory advertisements | All BRLMs | MO |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report. | All BRLMs | JM Financial |

| Sr No. | Activity | Responsibility | Co-ordination |
|---|---|---|---|
| 4. | Appointment of intermediaries –Registrar to the Issue, advertising agency, printers to the Issue including co-ordination for agreements to be entered into with such intermediaries. | All BRLMs | MO |
| 5. | Appointment of intermediaries – Bankers to the Issue, Monitoring Agency, Sponsor Banks, and other intermediaries including co-ordination for agreements to be entered into with such intermediaries. | All BRLMs | IIFL |
| 6. | Preparation of road show marketing presentation and frequently asked questions | All BRLMs | JM Financial |
| 7. | International institutional marketing of the Issue, which will cover, inter alia:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of international investors for one-to-one meetings; and<br>• Finalizing international road show and investor meeting schedule | All BRLMs | JM Financial |
| 8. | Domestic institutional marketing of the Issue, which will cover, inter alia:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of domestic investors for one-to-one meetings; and<br>• Finalizing domestic road show and investor meeting Schedule | All BRLMs | MO |
| 9. | Retail - non-institutional marketing of the Issue, which will cover, inter alia:<br>• Finalising media, marketing, public relations strategy and publicity<br>• Budget including list of frequently asked questions at retail road shows<br>• Finalising collection centres<br>• Finalising application form<br>• Finalising centres for holding conferences for brokers etc.<br>• Follow - up on distribution of publicity; and<br>• Issue material including form, Red Herring Prospectus/ Prospectus and deciding on the quantum of the Issue material | All BRLMs | IIFL |
| 10. | Managing the book and finalization of pricing in consultation with the Company | All BRLMs | JM Financial |
| 11. | Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, anchor coordination, anchor CAN and intimation of anchor allocation. | All BRLMs | JM Financial |
| 12. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Issue, intimation of allocation and dispatch of refund to bidders, etc.<br>Post-Issue activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Issue,<br>Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable.<br>Co-ordination with SEBI and Stock Exchanges for submission of all post Issue reports including the post Issue report to SEBI. | All BRLMs | IIFL |

**Syndicate Members**

**[●]**

**Legal Counsel to our Company as to Indian Law**

**Trilegal**
One World Centre, 10th Floor,
Tower 2A & 2B, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013
Maharashtra, India
**Telephone**: +91 22 4079 1000

**Registrar to the Offer**

**Bigshare Services Private Limited**
Office No. S6-2, 6th Floor, Pinnacle Business Park,
Mahakali Caves Road, Next to Ahura Centre,
Andheri (East), Mumbai – 400 093
Maharashtra, India
**Telephone**: +91 22 62638200
**E-mail**: ipo@bigshareonline.com
**Investor grievance E-mail**: investor@bigshareonline.com
**Website**: www.bigshareonline.com
**Contact Person**: Vinayak Morbale

**SEBI Registration No.:** INR000001385

**Bankers to the Offer**

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

[●]

***Public Offer Account Bank(s)***

[●]

***Refund Bank(s)***

[●]

***Sponsor Bank(s)***

[●]

**Designated Intermediaries**

***Self-Certified Syndicate Banks***

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidders), 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.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIIs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in.

***Eligible SCSBs and mobile applications enabled for UPI Mechanism***

In accordance with SEBI ICDR Master Circular and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 read with other applicable UPI Circulars, UPI Bidders each applicable to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations, bidding using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

***Syndicate SCSB Branches***

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

***Registered Brokers***

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

*Registrar and Share Transfer Agents*

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

*Collecting Depository Participants*

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

**Experts**

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

Our Company has received the written consent dated December 14, 2024 from M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, the Statutory Auditors of our Company to include their name as required under section 26 (5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 13, 2024 on the Restated Consolidated Financial Information; and (ii) the report dated December 13, 2024 on the statement of special tax benefits available to our Company, its shareholders and the Material Subsidiary under the direct and indirect tax laws in India and in United Arab Emirates (in case of the Material Subsidiary), included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has received a written consent dated December 12, 2024, from the Practising Company Secretary, namely, M/s Nishant Bajaj & Associates, Company Secretaries having the membership number F12990, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013, in respect of certificate issued by them in their capacity as the independent practising company secretary to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**Statutory Auditor to our Company**

**Shankarlal Jain & Associates LLP**
12, Engineer Building, 265, Princess Street,
Mumbai 400 002
Maharashtra, India
**E-mail**: info@sljainindia.com
**Telephone**: +91 22 2203 6623
**Firm registration number**: 109901W/W100082
**Peer review number**: 014278

**Changes in Auditors**

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

**Bankers to our Company**

**Axis Bank Limited**
MWBC, Mittal Tower,
A Wing, First Floor, Nariman Point,
Mumbai - 400021
**Contact person:** Onkar Phule
**Telephone:** +91 9970314964
**E-mail:** onkar.phule@axisbank.com
**Website:** www.axisbank.com

**DBS Bank India Limited**
Unit No. 6, Kanakia Wallstreet, Andheri Kurla Road,
Chakala, Andheri East, Mumbai – 400093
**Contact person**: Sandeepkumar Chauhan
**Telephone number:** + 91 9322515370
**E-mail**: sandeepkumarc1@dbs.com
**Website**: www.dbs.com

**HDFC Bank Limited**
Manekji Wadia Bldg, 2nd Floor,
Nanik Motwani Marg, Off M.G. Road,
Fort, Mumbai - 400001
**Contact person:** Hardik Delwari
**Telephone:** +91 9137877448
**E-mail:** hardik.delwari@hdfcbank.com
**Website:** www.hdfcbank.com

**ICICI Bank Limited**
ICICI Bank Towers, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India.
**Contact person**: Samrat Mazumdar
**Telephone number:** + 91 9674747057
**E-mail**: samrat.mazumdar@icicibank.com
**Website**: www.icicibank.com

**IDFC First Bank Limited**
No C-62, Vibgyor Towers,
Ground Floor, G-Block, Bandra Kurla Complex,
Bandra, Mumbai – 400051
**Contact person:** Ritesh Gupta, Mahesh Bansal
**Telephone:** +91 22713 26376
**E-mail:** ritesh.gupta@idfcfirstbank.com, mahesh.bansal@idfcfirstbank.com
**Website:** www.idfcfirstbank.com

**Kotak Mahindra Bank Limited**
27BKC, C 27, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
**Contact person**: Santosh Gupta
**Telephone number:** +91-8169146184
**E-mail**: santosh.gupta3@kotak.com
**Website**: www.kotak.com

**The Federal Bank Limited**
The Federal Bank Limited, 5th Floor,
C Wing, Laxmi Towers, Bandra Kurla Complex,
Mumbai - 400051
**Contact person:** Yatin Samel
**Telephone:** 022 61748781
**E-mail:** yatin@federalbank.co.in
**Website:** www.federalbank.co.in

**Grading of the Offer**

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

**Appraising Entity**

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

**Monitoring Agency**

As the size of the Fresh Issue exceeds ₹ 1,000.00 million, our Company will appoint a credit rating agency registered with SEBI as a monitoring agency to monitor the utilisation of the Gross Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Gross Proceeds, see “*Objects of the Offer*” on page 84.

**Credit Rating**

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

**Debenture Trustee**

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

**Green Shoe Option**

No green shoe option is contemplated under the Offer.

**Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been filed through SEBI’s online intermediary portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI ICDR Master Circular. It will also be filed at the following address:

**Securities and Exchange Board of India**
Corporation Finance Department Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block

Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051, Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC at its office and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office, and through the electronic portal.

**Filing of the Red Herring Prospectus and Prospectus**

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32 read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, at the RoC and through the electronic portal of MCA 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 Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" on page 355.

All Bidders other than Anchor Investors shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of UPI Bidders, by using the UPI Mechanism. In addition to this, the Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or by using the UPI Mechanism. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis.

For further details, see "*Terms of the Offer*" and "*Offer Procedure*" on pages 345 and 355, respectively.

**Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. Each of the Selling Shareholders has, severally and not jointly, specifically confirmed that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to it, in relation to its portion of the Offered Shares. In this regard, our Company and the Selling Shareholders have appointed the Book Running Lead Managers to manage this Offer and procure Bids for this Offer.**

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

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

For further details on the method and procedure for Bidding, see "*Offer Procedure*" and "*Offer Structure*" on pages 355 and 352 respectively.

**Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company, the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters and the Registrar to the Offer for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. 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:

*(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

*(₹ in million)*

| Name, address, telephone and e-mail address of the Underwriters | Indicative Number of Equity Shares of face value of ₹2 each to be Underwritten | Amount Underwritten |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |

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

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

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

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

## CAPITAL STRUCTURE

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

*(in ₹, except share data)*

| S. No. | Particulars | Aggregate nominal value | Aggregate value at Offer Price* |
|---|---|---|---|
| **A)** | **AUTHORISED SHARE CAPITAL(1)** | | |
| | 125,000,000 Equity Shares of face value of ₹ 2 each | 250,000,000 | - |
| | **Total** | **250,000,000** | |
| | | | |
| **B)** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 97,133,880 Equity Shares of face value of ₹ 2 each | 194,267,760 | - |
| | | | |
| **C)** | **PRESENT OFFER(2)** | | |
| | Offer of up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million (3) | [●] | [●] |
| | *Of which* | | |
| | Fresh Issue of up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 8,250.00 million(3) | [●] | [●] |
| | Offer for Sale of up to 97,00,000 Equity Shares of face value of ₹ 2 each aggregating up to ₹ [●] million(4) | [●] | [●] |
| | | | |
| **E)** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER*** | | |
| | [●] Equity Shares of face value of ₹ 2 each | [●] | [●] |
| | | | |
| **F)** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer | | 177,787,048 |
| | After the Offer* | | [●] |

**To be updated upon finalisation of the Offer Price, and subject to Basis of Allotment.*

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 196.*

(2) *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on December 4, 2024, and our Shareholders have authorized the Fresh Issue pursuant to a special resolution passed at their meeting held on December 5, 2024. Further, the Selling Shareholders have consented to participate in the Offer for Sale pursuant to their consent letters and our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated December 13, 2024.*

(3) *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(4) *The Selling Shareholders confirm that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.*

### Notes to Capital Structure

1. **Equity Share capital history of our Company**

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

| Date of allotment | Nature of allotment | Details of allottees/ shareholders and equity shares allotted | Number of equity shares allotted | Face value per Equity Share (₹) | Offer price per equity share (₹) | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up Equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| October 19, 2006^ | Initial subscription to the Memorandum of Association | Allotment of 5,000 equity shares to Sharad Khandelwal and 5,000 equity shares to Vidhi Sharad Khandelwal | 10,000 | 10 | 10.00 | Cash | 10,000 | 100,000 |

| Date of allotment | Nature of allotment | Details of allottees/ shareholders and equity shares allotted | Number of equity shares allotted | Face value per Equity Share (₹) | Offer price per equity share (₹) | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up Equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| March 31, 2015 | Rights issue | Allotment of 2,174 equity shares to Sharad Khandelwal and 2,174 equity shares to Vidhi Sharad Khandelwal | 4,348 | 10 | 2,300.00 | Cash | 14,348 | 143,480 |
| October 4, 2019 | Rights issue | Allotment of 198 equity shares to Vivek Khandelwal. | 198 | 10 | 63,104.75 | Cash | 14,546 | 145,460 |
| December 27, 2019 | Rights issue | Allotment of 79 equity shares to Vivek Khandelwal 1,190 equity shares to Amit Midha | 1,269 | 10 | 63,104.75 | Cash | 15,815 | 158,150 |
| February 20, 2020 | Preferential allotment | Allotment of 22,216 equity shares to Amiable Electronics Private Limited | 22,216 | 10 | 8,694.00 | Other than cash* | 38,031 | 380,310 |
| March 31, 2022 | Rights issue | Allotment of 745 equity shares to Amit Midha | 745 | 10 | 102,257.00 | Cash | 38,776 | 387,760 |
| Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, an aggregate of 38,776 issued and paid-up equity shares of ₹ 10 each were split into 193,880 Equity Shares of face value ₹ 2 each. | | | | | | | | |
| December 5, 2024 | Bonus issue in the ratio of 500 Equity Shares for every one Equity Share held | 17,930,000 Equity Shares were allotted to Sharad Khandelwal, 17,935,000 Equity Shares were allotted to Vidhi Sharad Khandelwal, 55,540,000 Equity Shares were allotted to Amiable Electronics Private Limited, 692,500 Equity Shares were allotted to Vivek Khandelwal, 4,837,500 Equity Shares were allotted to Amit Midha, 2,500 Equity Shares were | 96,940,000 | 2 | - | N.A. | 97,133,880 | 194,267,760 |

| Date of allotment | Nature of allotment | Details of allottees/ shareholders and equity shares allotted | Number of equity shares allotted | Face value per Equity Share (₹) | Offer price per equity share (₹) | Nature of consideration | Cumulative number of equity shares | Cumulative paid-up Equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| | | allotted to Pramila Khandelwal and 2,500 Equity Shares were allotted to Karuna Rajendra Ringshia | | | | | | |
| **Total** | | | **97,133,880** | | | | | **194,267,760** |

^ *Our Company was incorporated on October 19, 2006. The date of subscription to the Memorandum of Association is June 13, 2006 and the Board vide its resolution dated October 19, 2006 took on record the issuance and allotment of 10,000 equity shares of face value of ₹ 10 each to subscribers to the MoA.*

* *Allotment pursuant to Business Purchase Agreement dated February 17, 2020 executed between Amiable Electronics Private Limited and our Company. For further details, please see "History and Certain Corporate Matters" on page 196.*

2. **Preference share capital history of our Company**

Our Company does not have any existing preference shares as on the date of this Draft Red Herring Prospectus.

3. **Secondary Transactions involving the Promoters, Promoter Group and the Selling Shareholders**

Except as disclosed below, there have been no secondary transactions of Equity Shares by our Promoters (including Promoter Selling Shareholders) and the members of the Promoter Group, as on the date of this Draft Red Herring Prospectus.

| Date of allotment/ transfer | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer price per equity share (₹) | Nature of consideration | Nature of transaction |
|---|---|---|---|---|---|
| ***Karuna Rajendra Ringshia*** | | | | | |
| September 27, 2024 | 1 | 10 | Nil | Other than cash | Transfer by way of gift from Sharad Khandelwal |
| ***Pramila Khandelwal*** | | | | | |
| September 27, 2024 | 1 | 10 | Nil | Other than cash | Transfer by way of gift from Sharad Khandelwal |

4. **Shares issued for consideration other than cash or by way of a bonus issue**

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of a bonus issue since its incorporation as on the date of this Draft Red Herring Prospectus.

| Date of allotment | Nature of allotment | Details of allottees/ shareholders and equity shares allotted | Number of equity shares allotted | Face value per equity share (₹) | Offer price per equity share (₹) | Nature of consideration | Benefits accrued to our Company |
|---|---|---|---|---|---|---|---|
| February 20, 2020 | Preferential allotment | Amiable Electronics Private Limited ("**AEPL**") | 22,216 | 10 | 8,694.00 | Other than cash* | Sale, assignment, conveyance and transfer of AEPL's business to our Company on an as is where is basis and as a going concern |
| December 5, 2024 | Bonus issue in the ratio of 500 Equity Shares for every one Equity Share held | 17,930,000 Equity Shares were allotted to Sharad Khandelwal, 17,935,000 Equity Shares were allotted to Vidhi Sharad Khandelwal, 55,540,000 Equity Shares | 96,940,000 | 2 | - | N.A. | N.A. |

| Date of allotment | Nature of allotment | Details of allottees/ shareholders and equity shares allotted | Number of equity shares allotted | Face value per equity share (₹) | Offer price per equity share (₹) | Nature of consideration | Benefits accrued to our Company |
|---|---|---|---|---|---|---|---|
| | | were allotted to Amiable Electronics Private Limited, 692,500 Equity Shares were allotted to Vivek Khandelwal, 4,837,500 Equity Shares were allotted to Amit Midha, 2,500 Equity Shares were allotted to Pramila Khandelwal and 2,500 Equity Shares were allotted to Karuna Rajendra Ringshia | | | | | |

* *Allotment pursuant to Business Purchase Agreement dated February 17, 2020 executed between Amiable Electronics Private Limited and our Company. For further details, please see "History and Certain Corporate Matters" on page 196.*

5. **Shares issued out of revaluation reserves**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

6. **Issue of equity shares pursuant to Sections 391 to 394 of the Companies Act 1956 or Sections 230 to 234 of the Companies Act, 2013**

Our Company has not allotted any equity shares pursuant to any scheme of arrangement approved under Sections 391-394 of the Companies Act 1956, or Sections 230 to 234 of the Companies Act, 2013, each as amended since incorporation.

7. **Issue of Shares at a price lower than the Offer Price in the last year**

Except as disclosed in "- *Shares issued for consideration other than cash or by way of a bonus issue*", 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 Draft Red Herring Prospectus.

8. **Issue of equity shares under employee stock option schemes**

As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares under the ESOS 2024. For details of stock options granted under the ESOS 2024 , see " – *Employee Stock Option Plan*" on page 81.

9. **Compliance with the Companies Act, 1956 and Companies Act, 2013**

All the issuances of the Equity Shares since the date of inception by our Company, have been in compliance with the relevant provisions of the Companies Act, 2013 and Companies Act, 1956 as may be applicable. Further, the Company has not issued any other securities since its incorporation.

10. **Details of shareholding and share capital of our Promoters, the members of the Promoter Group and directors of our Corporate Promoter**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 91,587,810 Equity Shares of face value ₹ 2 each, which constitutes 94.29% of the issued, subscribed and paid-up Equity Share capital of our Company. Except as disclosed below, our Promoters, the members of our Promoter Group and directors of our Corporate Promoter do not hold any Equity Shares:

***a) Shareholding of our Promoters and member of our Promoter Group***

| Name | Pre-Offer | | Post-Offer*^ | |
|---|---|---|---|---|
| | Number of Equity Shares of face value ₹ 2 each | Percentage of pre-Offer Equity Share capital | Number of Equity Shares of face value ₹ 2 each | Percentage of post-Offer Equity Share capital |
| ***Promoters*** | | | | |
| Sharad Khandelwal[&] | 17,965,860 | 18.50% | [●] | [●] |
| Vidhi Sharad Khandelwal[&] | 17,970,870 | 18.50% | [●] | [●] |
| Amiable Electronics Private Limited | 55,651,080 | 57.29% | [●] | [●] |
| **Total (A)** | **91,587,810** | **94.29%** | [●] | [●] |
| ***Promoter Group*** | | | | |

| Name | Pre-Offer | | Post-Offer*^ | |
|---|---|---|---|---|
| | Number of Equity Shares of face value ₹ 2 each | Percentage of pre-Offer Equity Share capital | Number of Equity Shares of face value ₹ 2 each | Percentage of post-Offer Equity Share capital |
| Vivek Khandelwal | 693,885 | 0.71% | [●] | [●] |
| Pramila Khandelwal | 2,505 | Negligible | [●] | [●] |
| Karuna Rajendra Ringshia | 2,505 | Negligible | | |
| **Total (B)** | **698,895** | **0.71%** | [●] | [●] |
| **Total (A+B)** | **92,286,705** | **95.01%** | [●] | [●] |

* *To be included in the Prospectus.*
^ *Subject to finalization of Basis of Allotment.*
& *Also directors on the board of our Corporate Promoter.*

### b) *Build-up of Promoters' shareholding in our Company*

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

| Date of allotment/ transfer# | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital | % of the post-Offer equity share capital |
|---|---|---|---|---|---|---|---|
| **Sharad Khandelwal** | | | | | | | |
| October 19, 2006^ | 5,000 | 10 | 10.00 | Cash | Subscription to MoA | 0.03 | [●] |
| March 31, 2015 | 2,174 | 10 | 2,300.00 | Cash | Rights issue | 0.01 | [●] |
| September 27, 2024 | (1) | 10 | Nil | Other than cash | Transfer by way of gift to Karuna Rajendra Ringshia | Negligible | [●] |
| September 27, 2024 | (1) | 10 | Nil | Other than cash | Transfer by way of gift to Pramila Khandelwal | Negligible | [●] |
| Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, 7,172 equity shares of ₹ 10 each held were split into 35,860 Equity Shares of ₹ 2 each. | | | | | | | |
| December 5, 2024 | 17,930,000 | 2 | - | N.A. | Bonus issue in the ratio of 500 Equity Shares for every one Equity Share held | 18.46 | [●] |
| **Total (A)** | **17,965,860** | | | | | **18.50** | **[●]** |
| **Vidhi Sharad Khandelwal** | | | | | | | |
| October 19, 2006^ | 5,000 | 10 | 10.00 | Cash | Subscription to MoA | 0.03 | [●] |
| March 31, 2015 | 2,174 | 10 | 2,300.00 | Cash | Rights issue | 0.01 | [●] |
| Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, 7,174 equity shares of ₹ 10 each held were split into 35,870 Equity Shares of ₹ 2 each. | | | | | | | |
| December 5, 2024 | 17,935,000 | 2 | - | N.A. | Bonus issue in the ratio of 500 Equity Shares for every one Equity Share held | 18.46 | [●] |
| **Total (B)** | **17,970,870** | | | | | **18.50** | |
| **Amiable Electronics Private Limited** | | | | | | | |
| February 20, 2020 | 22,216 | 10 | 8,694.00 | Consideration other than cash** | Preferential allotment | 0.11 | [●] |

| Date of allotment/ transfer# | Number of equity shares allotted/ transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital | % of the post-Offer equity share capital |
|---|---|---|---|---|---|---|---|
| Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, 22,216 equity shares of ₹ 10 each held were split into 111,080 Equity Shares of ₹ 2 each. | | | | | | | |
| December 5, 2024 | 55,540,000 | 2 | - | N.A. | Bonus issue in the ratio of 500 Equity Shares for every one Equity Share held | 57.18 | [●] |
| **Total (C)** | **55,651,080** | | | | | **57.29** | |
| **Kay Kay Overseas Corporation** | | | | | | | |
| Kay Kay Overseas Corporation does not hold and has never held any equity shares of our Company. | | | | | | | |
| **Total (A+B+C)** | **91,587,810** | | | | | **94.29** | **[●]** |

^ *Our Company was incorporated on October 19, 2006. The date of subscription to the Memorandum of Association is June 13, 2006 and the Board vide its resolution dated October 19, 2006 took on record the issuance and allotment of 10,000 equity shares of face value of ₹ 10 each to subscribers to the MoA.*

** *Allotment pursuant to Business Purchase Agreement dated February 17, 2020 executed between Amiable Electronics Private Limited and our Company.*

# *Equity Shares were fully paid-up on the respective dates of allotment/acquisition, as the case may be.*

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

***c) Details of minimum Promoters' contribution locked in as may be prescribed under applicable law***

Pursuant to Regulation 14 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and, pursuant to Regulation 16 of the SEBI ICDR Regulations, shall be locked-in for a period of eighteen months, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoter's contribution from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

The details of Equity Shares held by our Promoters, which will be locked-in for a period of eighteen months, from the date of Allotment as Promoters' Contribution are set forth below:

| Name of the Promoter | Number of Equity Shares held | Date up to which Equity Shares are subject to lock-in | Number of Equity Shares locked-in** | Date of allotment/ transfer# | Face value per Equity Share (₹) | Allotment/ Acquisition price per Equity Share (₹) | Nature of transaction | % of the pre-Offer paid-up capital | % of the post-Offer paid-up Capital |
|---|---|---|---|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

*Note: To be updated at the Prospectus stage.*

# *Equity Shares were fully paid-up on the respective dates of allotment/acquisition, as the case may be.*

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

Our Promoters have given their consent to include such number of Equity Shares held by them, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "*Build-up of Promoters' shareholding in our Company* " on page 76.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance; and

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

***d) Details of share capital locked-in for six months or any other period as may be prescribed under applicable law***

In terms of Regulation 17 and 16(1)(b) of the SEBI ICDR Regulations, except for the Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoter's Contribution, which shall be locked in as above, the entire pre-Offer Equity Share capital of our Company, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer. In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

***e)*** **Recording of 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.

***f)*** **Lock-in of Equity Shares Allotted to Anchor Investors**

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

***g)*** **Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, members of our Promoter Group, directors of our Promoters, and/or our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectu*s***

Except as disclosed in "- *Details of history of shareholding of our Promoters, the members of the Promoter Group and directors of our Corporate Promoter in our Company*" on page 75, none of our Promoters, the members of the

Promoter Group, directors of our Corporate Promoter and/or our directors and their relatives have purchased, acquired or sold any Equity Shares or specified securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

***(The remainder of the page has been intentionally left blank***)

11. **Shareholding pattern of our Company**

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

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up Equity Shares held (IV) | Number of Partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Number of voting rights | | | Total as a % of (A+B+ C) | | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class (Equity Shares) | Class (Others) | Total | | | | | | | | |
| (A) | Promoters and Promoter Group | 6 | 92,286,705 | - | - | 92,286,705 | 95.01 | 95.01 | - | - | 95.01 | - | 95.01 | - | - | - | - | 92,286,705 |
| (B) | Public | 1 | 4,847,175 | - | - | 4,847,175 | 4.99 | 4.99 | - | - | 4.99 | - | 4.99 | - | | | | 4,847,175 |
| (C) | Non-Promoter-Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | **Total (A+B+C+C1+C2)** | **7** | **97,133,880** | | | **97,133,880** | **100.00** | **100.00** | | | **100.00** | **-** | **100.00** | **-** | | | **-** | **97,133,880** |

12. As on the date of this Draft Red Herring Prospectus, our Company has 7 equity shareholders.

13. **Shareholding of our Directors, Key Managerial Personnel and members of Senior Management in our Company**

Except as stated below, none of our Directors or Key Managerial Personnel or members of Senior Management hold any Equity Shares.

| Sr. no. | Name of Shareholder | Number of Equity Shares of face value ₹ 2 each | Percentage of pre-Offer Equity Share capital |
|---|---|---|---|
| 1 | Sharad Khandelwal | 17,965,860 | 18.50 |
| 2 | Vidhi Sharad Khandelwal | 17,970,870 | 18.50 |
| 3 | Amit Midha | 4,847,175 | 4.99 |
| | **Total** | **40,783,905** | **41.99** |

14. **Details of shareholding of the major shareholders of our Company**

(a) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

| Sr. no. | Name of Shareholder | Number of Equity Shares of face value ₹ 2 each | Percentage of pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1 | Sharad Khandelwal | 17,965,860 | 18.50 |
| 2 | Vidhi Sharad Khandelwal | 17,970,870 | 18.50 |
| 3 | Amiable Electronics Private Limited | 55,651,080 | 57.29 |
| 4 | Amit Midha | 4,847,175 | 4.99 |
| | **Total** | **96,434,985** | **99.28** |

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

| Sr. no. | Name of Shareholder | Number of Equity Shares of face value ₹ 2 each | Percentage of pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1 | Sharad Khandelwal | 35,860 | 18.50 |
| 2 | Vidhi Sharad Khandelwal | 35,870 | 18.50 |
| 3 | Amiable Electronics Private Limited | 111,080 | 57.29 |
| 4 | Amit Midha | 9,675 | 4.99 |
| | **Total** | **192,485** | **99.28** |

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

| Sr. no. | Name of Shareholder | Number of equity shares of face value of ₹10 each | Percentage of pre-Offer equity share capital (%) |
|---|---|---|---|
| 1 | Sharad Khandelwal | 7,174 | 18.50 |
| 2 | Vidhi Sharad Khandelwal | 7,174 | 18.50 |
| 3 | Amiable Electronics Private Limited | 22,216 | 57.29 |
| 4 | Amit Midha | 1,935 | 4.99 |
| | **Total** | **38,499** | **99.28** |

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

| Sr. no. | Name of Shareholder | Number of equity shares of face value of ₹10 each | Percentage of pre-Offer equity share capital (%) |
|---|---|---|---|
| 1 | Sharad Khandelwal | 7,174 | 18.50 |
| 2 | Vidhi Sharad Khandelwal | 7,174 | 18.50 |
| 3 | Amiable Electronics Private Limited | 22,216 | 57.29 |
| 4 | Amit Midha | 1935 | 4.99 |
| | **Total** | **38,499** | **99.28** |

15. **Employee Stock Option Plan**

***Electronic Bazaar Employees Stock Option Scheme – 2024 ("ESOS 2024")***

Pursuant to a resolution of our Board of Directors dated December 4, 2024, and Shareholders' resolution dated December 5, 2024, our Company had instituted an employee stock option plan, the ESOS 2024. The total number of options that may be granted under the ESOS 2024 will not exceed 5% of the diluted paid-up Equity Shares. The ESOS 2024 is administered by the Nomination and Remuneration Committee.

No options have been granted under ESOS 2024, as on the date of this Draft Red Herring Prospectus, as certified by Statutory Auditors through a certificate dated December 14, 2024. ESOS 2024 is in compliance with the SEBI SBEB Regulations. Further, any future allotment to be made under the ESOS 2024 will be to employees only and the grant of options will be in compliance with Companies Act and the SEBI SBEB Regulations.

The ESOS 2024 is in compliance with the SEBI SBEB Regulations and have been certified by the Practising Company Secretary, pursuant to its certificate dated December 12, 2024.

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

17. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares.

18. None of the shareholders of our Company are directly or directly related to the BRLMs and their respective associates.

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

20. All the Equity Shares held by our Promoters are in dematerialised form as on the date of this Draft Red Herring Prospectus.

21. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The Book Running Lead Managers and their 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.

22. There are no outstanding warrants or convertible securities, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

23. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

24. Other than the Promoter Selling Shareholders who will receive proceeds to the extent of their participation as a selling shareholder in the Offer for Sale, none of the Promoters or members of our Promoter Group will participate in the Offer nor receive any proceeds from the Offer.

25. Except for the allotment of specified securities pursuant to the Fresh Issue and Pre-IPO Placement aggregating up to ₹ 1,650.00 million, there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

26. Except for the Equity Shares to be allotted pursuant to the Fresh Issue and ESOS 2024, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the denomination of the Equity Shares or by way of further issue of Equity Shares or convertible securities on a preferential basis or by way of issue of bonus Equity Shares or on a rights basis or by way of further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

27. Neither the (i) BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs); nor (ii) any person related to the Promoter or Promoter Group shall apply in the Offer under the Anchor Investor Portion. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or

indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

28. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

29. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

## SECTION IV - PARTICULARS OF THE OFFER

## OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹8,250.00 million by our Company and an Offer for Sale of up to 9,700,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. For details, see "*Summary of the Offer Document*" and "*The Offer*" on pages 18 and 58, respectively.

### Offer for Sale

Each of the Selling Shareholders shall be entitled to their respective portion of the proceeds of the Offer for Sale, after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale, and accordingly, the proceeds from the Offer for Sale will not form a part of the Net Proceeds.

### Fresh Issue

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

| Particulars | Estimated amount (₹ in million) |
|---|---|
| Gross proceeds from the Fresh Issue*^ | 8,250.00 |
| (Less) Offer related expenses to be borne by our Company#^ | [●] |
| **Net Proceeds from the Fresh Issue#^** | **[●]** |

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

\# *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC*

^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

### Requirements of funds and utilization of Net Proceeds

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

1. Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Material Subsidiary namely, Electronics Bazaar FZC;

2. Funding the working capital requirements of our Company; and

3. General corporate purposes.

(collectively, referred to herein as "**Objects**")

In addition to the aforementioned Objects, our Company will receive the benefits of listing of its Equity Shares on the Stock Exchanges including enhancement of our Company's brand name and creating a public market for our Equity Shares in India.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by our Company through the Fresh Issue; and (iii) to undertake the activities for which loans were raised and which are proposed to be prepaid or repaid in full or in part from the Net Proceeds and the activities for which funds are earmarked towards general corporate purposes. The main objects and objects incidental and ancillary to the main objects set out in the respective memorandum of association of our Material Subsidiary, enables each of them to undertake the activities towards which the loans proposed to be repaid from the Net Proceeds were utilised and activities proposed to be funded from the net proceeds.

### Utilization of Net Proceeds

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

| Sr. No. | Particulars | Estimated Amount*^ (₹ in million) |
|---|---|---|
| 1 | Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Material Subsidiary namely, Electronics Bazaar FZC | 3,200.00 |
| 2. | Funding the working capital requirements of our Company | 2,600.00 |

| Sr. No. | Particulars | Estimated Amount*^ (₹ in million) |
|---|---|---|
| 3. | General Corporate Purposes | [●] |
| | **Total*** | [●] |

* *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.*

^ *This includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Details of the Pre-IPO Placement, if undertaken, will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR, as amended and shall be included in the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

**Utilisation of Net Proceeds and Schedule of Implementation and Deployment**

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

*(₹ in million)*

| Particulars | Total estimated amount | Amount which will be financed from Net Proceeds | Estimated Utilization of Net Proceeds in Fiscal 2026 | Estimated Utilization of Net Proceeds in Fiscal 2027 |
|---|---|---|---|---|
| Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Material Subsidiary namely, Electronics Bazaar FZC | 3,200.00 | 3,200.00 | 3,200.00 | - |
| Funding the working capital requirements of our Company | 2,600.00 | 2,600.00 | 1,505.00 | 1,095.00 |
| General Corporate Purposes(1) | [●] | [●] | [●] | [●] |
| Net Proceeds(1) (2) | [●] | [●] | [●] | [●] |

*(1) To be finalised upon determination of 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 Proceed*

*(2) Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

The funding requirements and deployment of the Net Proceeds as described herein are based on of various factors, our current business plan, management estimates, current circumstances of our business and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See "*Risk Factors - Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations.*" on page 48. We may have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy, competitive environment and interest or exchange rate fluctuations, incremental preoperative expenses, taxes and duties, interest and finance charges, working capital margin, regulatory costs, and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors – Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations*" on page 48.

Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilisation of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations.

**Means of finance**

The fund requirements towards the Objects of the Offer are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. For further details, see "*Risk Factors – Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations*" on page 48.

**Details of objects of the Offer to be funded from Fresh Issue proceeds**

1. **Prepayment and/or repayment, in full or in part, of all or a portion of certain outstanding borrowings availed by our Company and our Material Subsidiary namely, Electronics Bazaar FZC**

Our Company and our Material Subsidiary namely, Electronics Bazaar FZC have entered into various financing arrangements with banks, such as working capital facilities, including fund based and non-fund based borrowings. For further information on the financial indebtedness of our Company, see "*Financial Indebtedness*" on page 316. As on September 30, 2024, we had total borrowings of ₹4,989.69 million on a consolidated basis. Further, as on September 30, 2024, our total outstanding indebtedness in respect of our working capital facilities was ₹ 4,208.20 million on a consolidated basis. We propose to utilise an amount of up to ₹2,200 million and up to ₹1,000 million aggregating to ₹3,200 million from the Net Proceeds towards repayment/ prepayment, in full or in part, of all or a portion of certain borrowings availed by our Company and our Material Subsidiary, respectively. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds, as per the requirements of the Company. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums or interest, such excessive amount shall be met from our internal accruals.

In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements will be based on various factors, including (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation of the facility; (iv) levy of any prepayment or repayment penalties and the quantum thereof; (v) provisions of any law, rules, regulations governing such borrowings; (vi) any conditions attached to the borrowings restricting our Company's ability to prepay the borrowings and time taken to fulfil such requirements, if any; (vii) mix of credit facilities provided by lenders; (viii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan and (viii) receipt of consents for prepayment or repayment from respective lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company and our Material Subsidiary may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company and our Material Subsidiary with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilise the Net Proceeds for part or full prepayment of any such refinanced facilities or repayment of any additional facilities obtained by us. We believe that such repayment will help reduce our outstanding indebtedness, debt servicing costs and improve our debt to equity ratio and enable utilization of internal accruals for further investment in business growth and expansion. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. Additionally, we believe that the leverage capacity of our Company and our Material Subsidiary 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.

Further, owing to the nature of our business and borrowings, our Company and our Material Subsidiary may also avail additional borrowings after the date of this Draft Red Herring Prospectus and may also draw down further funds under existing loans from time to time. Accordingly, in case any of the below loans are prepaid or further drawn down prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment of such additional indebtedness. In light of the above, if at the time of filing the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the terms of new loans are more onerous than the older loans or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company and our Material Subsidiary.

The following tables provides details of certain working capital borrowings availed by our Company and our Material Subsidiary as on October 20, 2024, out of which we propose to pre-pay or repay, in full or in part, up to an amount aggregating to ₹3,200 million from the Net Proceeds:

**(*The remainder of the page is intentionally left blank***

**Details of certain working capital borrowings availed by our Company**

| Sr. No. | Name of the lender | Date of sanction letter | Nature of borrowing | Principal amount sanctioned as of October 20, 2024 *(in ₹ millions)* | Utilized amount outstanding as on October 20, 2024 *(in ₹ millions)* | Rate of interest | Prepayment conditions/ penalty | Purpose of the borrowing | Whether funds were utilised for capital expenditure |
|---|---|---|---|---|---|---|---|---|---|
| 1 | HDFC Bank Limited | February 23, 2022 | Cash credit / working capital demand loan | 425.00 | 373.00 | 9.50% | Nil | Working capital | No |
| 2 | HDFC Bank Limited | February 23, 2022 | Emergency credit line scheme | 32.20 | 28.37 | 9.25% | Nil | Working capital | No |
| 3 | HDFC Bank Limited | January 4, 2021 | Emergency credit line scheme | 64.10 | 23.59 | 9.25% | Nil | Working capital | No |
| 4 | HDFC Bank Limited | March 4, 2024 | Invoice discounting | 300.00 | 175.94 | 9.48% | Nil | Working capital | No |
| 5 | Axis Bank Limited | December 24, 2021 | Emergency credit line guarantee scheme | 42.40 | 33.57 | 8.20% | Nil | Working capital | No |
| 6 | Axis Bank Limited | March 18, 2021 | Emergency credit line guarantee scheme | 42.90 | 15.53 | 8.85% | Nil | Working capital | No |
| 7 | Axis Bank Limited | November 20, 2023 | Cash credit | 440.00 | 416.43 | 9.50% | Nil | Working capital | No |
| 8 | Standard Chartered Bank Limited | August 9, 2023 | Cash credit/Working capital demand loan | 400.00 | 0.00 | 3 months Mumbai interbank lending rate | 2.00% of the amount prepaid | Working capital | No |
| 9 | Federal Bank Limited | September 25, 2023 | Cash credit | 50.00 | 0.00 | 9.10% | 3.00% of the sanctioned limit for loans closed/taken over before the contracted period using own funds/by way of takeover | Working capital | No |
| 10 | Federal Bank Limited | September 25, 2023 | Working capital demand loan | 200.00 | 199.97 | 9.00% | 3.00% of the sanctioned limit for loans closed/taken over before the contracted period using own funds/by way of takeover | Working capital | No |
| 11 | DBS Bank India Limited | October 25, 2023 | Cash credit/Working capital demand loan/Purchase bill discounting | 120.00 | 95.74 | 9.60% | 4.00% of facility limits granted | Working capital | No |

| Sr. No. | Name of the lender | Date of sanction letter | Nature of borrowing | Principal amount sanctioned as of October 20, 2024 *(in ₹ millions)* | Utilized amount outstanding as on October 20, 2024 *(in ₹ millions)* | Rate of interest | Prepayment conditions/ penalty | Purpose of the borrowing | Whether funds were utilised for capital expenditure |
|---|---|---|---|---|---|---|---|---|---|
| 12 | ICICI Bank Limited | July 24, 2023 | Working capital demand loan/Purchase bill discounting | 400.00 | 250.00 | 8.65% | Prepayment premium as stipulated by ICICI Bank Limited | Working capital | No |
| 13 | Kotak Mahindra Bank Limited | July 24, 2023 | Working capital demand loan | 490.00 | 340.00 | 3 months marginal cost of fund based lending rate + 0.15% | Nil | Working capital | No |
| 14 | IDFC First Bank Limited | August 2, 2024 | Cash credit/Working capital demand loan | 400.00 | 390.49 | 9.60% | 2% of the amount being prepaid | Working capital | No |
| 15 | DBS PBD | October 25, 2023 | Purchase bill discounting | 180.00 | 179.52 | 3.00% | 4.00% of facility limits granted | Working capital | No |
| | **Total** | | | **3,586.60** | **2,522.15** | | | | |

**Details of certain working capital borrowings availed by our Material Subsidiary namely, Electronics Bazaar FZC**

| Sr. No. | Name of the lender | Date of sanction letter | Nature of borrowing | Principal Amount sanctioned (in ₹ million) as of October 20, 2024 | Balance amount outstanding as on October 20, 2024 (₹ in million) | Rate of Interest | Prepayment conditions/ penalty | Purpose of the borrowing | Whether funds were utilised for capital expenditure |
|---|---|---|---|---|---|---|---|---|---|
| 1 | HDFC Bank Limited | August 6, 2024 | Working capital demand loan | 770.00 | 691.94[$] | 4% below SME prime rate (15.5% currently) | Nil | Working capital | No |
| 2 | RAKBANK | October 3, 2023 | Short term loan (import) | 80.66[@] | 56.07[@] | 4% below SME prime rate (15.5% currently) | Nil | Working capital | No |
| 3 | Emirates Islamic Bank | August 9, 2023 | Liquidity murabaha I | 161.33[@] | 156.46[@] | Emirates interbank offer rate (minimum 1 month) + 2.75% | Nil | Working capital | No |
| 4 | Commercial Bank of Dubai | February 5, 2024 | Working capital demand loan | 230.47[@] | 189.67[@] | For letter of credit - | Nil | Working capital | No |

| Sr. No. | Name of the lender | Date of sanction letter | Nature of borrowing | Principal Amount sanctioned (in ₹ million) as of October 20, 2024 | Balance amount outstanding as on October 20, 2024 (₹ in million) | Rate of Interest | Prepayment conditions/ penalty | Purpose of the borrowing | Whether funds were utilised for capital expenditure |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | prevailing interest rate | | | |
| 5 | Dubai Islamic Bank | July 17, 2024 | Murabaha | 230.47@ | 0.00 | For others - 4.5% over 3 months Emirates interbank offer rate (min 6% p.a. payable monthly) 3.25% over 3 months Emirates interbank offer rate subject to min 6.5% p.a. | Nil | Working capital | No |
| 6 | Abu Dhabi Islamic Bank | June 20, 2024 | Murabaha | 230.47@ | 46.87@ | 3 months Emirates interbank offer rate + 3% (min 7%) p.a | Nil | Working capital | No |
| | **Total** | | | **1,703.39** | **1,141.01** | | | | |

***$*** *For certain borrowings which are denominated in foreign currency, namely, USD, the exchange rate for conversion used is 1 USD = ₹84.07, which is the applicable exchange rate as of October 20, 2024 (Source:fbil.org,in).*
*@For certain borrowings which are denominated in foreign currency, namely, AED, the exchange rate for conversion used is 1 AED = ₹22.89, which is the applicable exchange rate as of October 20, 2024 (Source:fbil.org,in).*

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated December 14, 2024 from M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, Statutory Auditors of our Company certifying that the borrowings of our Company and Material Subsidiary have been utilised towards the purposes for which such borrowings were availed.

To the extent our Company deploys the Net Proceeds in Material Subsidiary for the purpose of prepayment or repayment of all or a portion of the above borrowings, it shall be in the form of equity or debt, including inter-corporate loans, compulsorily convertible debentures, non-convertible debentures or in any other manner as may be decided by our Board. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus and will be finalised prior to filing of the Updated Draft Red Herring Prospectus with SEBI.

Our Material Subsidiary does not have any stated dividend policy and our Company cannot be assured of any dividends from such investment. Our Company will remain interested in our Material Subsidiary to the extent of our shareholding, or as a lender if funds are deployed in the form of debt.

For the purposes of the Offer, our Company has intimated and has obtained necessary consents from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Offer, including consequent actions, such as change in the capital structure, change in shareholding pattern of our Company, amendment to the Articles of Association of our Company. For further details, please see "*Risk Factors – Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations*" on page 48.

Further, as on date of this Draft Red Herring Prospectus, our Company has obtained all applicable consents from our lenders, in writing, for the purpose of the Offer.

**2. Funding the working capital requirements of our Company**

Our Company funds a majority of its working capital requirements in the ordinary course of business from financing availed from banks and internal accruals. Our Company proposes to utilise up to ₹2,600.00 million from the Net Proceeds towards funding our working capital requirements. Our Company proposes to utilise ₹1,505.00 million and ₹1,095.00 million to fund our incremental working capital requirements in Fiscal 2026 and Fiscal 2027, respectively.

As on September 30, 2024, our total outstanding indebtedness in respect of our working capital facilities was ₹ 4,208.20 million on a consolidated basis. For further details of the working capital facilities currently availed by us, see "*Financial Indebtedness*" and "*Restated Consolidated Financial Information*" on pages 316 and 229, respectively. Further, for risks in relation to use of the Net Proceeds for funding working capital gap of our Company, see "*Risk Factors—* ***"****We have significant working capital requirements and our inability to meet the working capital requirements may have an adverse effect on our results of operations"* on page 34.

Our Company's business is working capital intensive. A majority of our working capital requirements are funded from equity share capital, internal accruals and financing arrangements with various banks and financial institutions. In order to fund the working capital requirements, our Company proposes to invest ₹ 2,600.00 million, to part fund its working capital requirements for Fiscal 2026 and Fiscal 2027. Our Board in its meeting dated December 13, 2024 took note that an amount of ₹ 2,600.00 million is proposed to be utilized to fund the working capital requirements of our Company.

**Requirement of Working Capital**

Our Company operates in the global refurbished ICT Devices industry, which has been expanding significantly over the years. The global refurbished personal computer market grew from US$ 9.7 billion in CY18 to US$ 14.4 billion in CY23, reflecting an 8% CAGR, and is projected to reach US$ 38.3 billion by CY28, at 22%. Similarly, the Indian refurbished PC market grew from US$ 0.2 billion in FY19 to US$ 0.8 billion in FY24, showing a 27% CAGR, and is expected to reach US$ 3.3 billion by FY29, at a CAGR of 33%. A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. In India, the organized market share grew from approximately 5% in FY19 to 11% in FY24, with a robust CAGR of 33%. (*Source: 1Lattice Report*)

Our Company addresses the increasing demand for affordable, reliable, and sustainable ICT Devices by providing high-quality refurbished products that are cost-effective and environmentally friendly. We are India's largest refurbisher of laptops and desktops ("**PCs**") and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa, UAE and, in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). We are a company with domestic and international operations with five refurbishing facilities across India, USA and UAE.

Our ability to grow depends largely on cost effective avenues of funding. Our business requires significant amounts of working capital, primarily to meet any expenses incurred in the ordinary course of business, including for financing our raw materials and components purchases, payment of salaries and wages, rent, administration expenses, insurance related expenses, payment of taxes and duties, advertisement, brand building and other marketing expenses, payment of interest on borrowings and meeting any other exigencies which we may face in refurbishing our products before we receive payments from our customers. Further, our working capital requirements also tend to increase if our sales terms do not include advance payments or if payment is stipulated at the time of delivery of the final product to our customer.

Our working capital requirements could increase if there is a considerable difference between the holding levels of our trade payables and our trade receivables and insufficient cash flows may affect our ability to fund our working capital requirements. As at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, our trade receivables were 1,801.80 million ₹ 1,169.06 million, ₹ 911.44 million and ₹ 421.83 million, respectively.

**Utilization of Funds**

We intend to allocate ₹ 2,600 million toward working capital requirements for Fiscal 2026 and Fiscal 2027. This investment will help us expand our procurement network, enhance refurbishment business, and scale our operations both India and globally to meet the increasing demand.

***Basis of estimation of working capital requirement of our Company***

*Existing working capital*

The details of our Company's working capital as at September 30,2024, March 31, 2024, March 31, 2023 and March 31, 2022, and the source of funding, derived from the special purpose audited standalone financial statements of our Company, as certified by our Statutory Auditors of our Company through their certificate dated December 14, 2024 are provided in the table below:

*(₹ in million)*

| Particulars | As at September 30, 2024 (Standalone) | As at March 31, 2024 (Standalone) | As at March 31, 2023 (Standalone) | As at March 31, 2022 (Standalone) |
|---|---|---|---|---|
| **Current Assets** | | | | |
| -Inventories | 1,844.43 | 1,362.28 | 897.67 | 640.34 |
| -Trade receivables | 887.66 | 640.41 | 559.03 | 573.13 |
| -Other Current Assets | 1,088.50 | 930.58 | 363.97 | 285.72 |
| **Total Current Assets (A)** | **3,820.59** | **2,933.27** | **1,820.67** | **1,499.19** |
| | | | | |
| **Current Liabilities** | | | | |
| -Trade payable | 124.80 | 209.25 | 53.67 | 64.95 |
| -Other current liabilities | 165.84 | 85.34 | 421.84 | 284.69 |
| **Total Current Liabilities (B)** | **290.64** | **294.59** | **475.51** | **349.64** |
| Total Working Capital Requirements (A) – (B) | 3,529.95 | 2,638.68 | 1,345.16 | 1,149.55 |
| **Existing Funding Pattern** | | | | |
| A. Loan / borrowings from banks | 2,949.72 | 2,261.56 | 752.58 | 571.97 |
| B. Internal accruals and equity | 580.23 | 377.12 | 592.58 | 577.58 |
| **Total** | **3,529.95** | **2,638.68** | **1,345.16** | **1,149.55** |

*Note: As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*

*Estimated working capital*

On the basis of the existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated December 13, 2024, has approved the estimated working capital requirements for Financial Years 2025, 2026 and 2027 as set forth below:

*(₹ in million)*

| Particulars | As at March 31, 2025 (Estimated) | As at March 31, 2026 (Estimated) | As at March 31, 2027 (Estimated) |
|---|---|---|---|
| **Current Assets** | | | |
| -Inventories | 1,521.59 | 1,978.01 | 2,571.57 |
| -Trade receivables | 1,018.93 | 1,324.57 | 1,721.96 |
| -Other Current Assets | 935.89 | 1,216.62 | 1,581.63 |
| **Total Current Assets (A)** | **3,476.41** | **4,519.19** | **5,875.16** |
| | | | |
| **Current Liabilities** | | | |
| -Trade payable | 163.27 | 212.24 | 275.93 |
| -Other current liabilities | 432.28 | 561.94 | 730.54 |
| **Total Current Liabilities (B)** | **595.54** | **774.18** | **1,006.47** |

| Particulars | As at March 31, 2025 (Estimated) | As at March 31, 2026 (Estimated) | As at March 31, 2027 (Estimated) |
|---|---|---|---|
| Total Working Capital Requirements (A) – (B) | 2,880.87 | 3,745.01 | 4,868.69 |
| **Funding Pattern** | | | |
| A. Loan / borrowings from banks | 2,200.00 | - | - |
| B. Working capital loan released / limit release | - | 2,200.00 | 3,745.01 |
| C. Internal accruals and equity | 680.87 | 40.01 | 28.69 |
| D. Part of the net proceeds | - | 1,505.00 | 1,095.00 |
| **Total** | **2,880.87** | **3,745.01** | **4,868.69** |

*Note: As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*

*Holding levels*

The table below sets forth the details of holding levels (in days) for Fiscal 2022, Fiscal 2023 and Fiscal 2024 as well as estimated holding levels (in days) for Fiscal 2025, Fiscal 2026 and Fiscal 2027:

| S. No. | Particulars | Holding level (No. of days) ^$ | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | For Fiscal 2022 (Actual) | For Fiscal 2023 (Actual) | For Fiscal 2024 (Actual) | For six months period ended September 30, 2024 (Actual) | For Fiscal 2025 (Estimated) | For Fiscal 2026 (Estimated) | For Fiscal 2027 (Estimated) |
| 1. | Inventory days (A)(1) | 71 | 71 | 80 | 109 | 83 | 83 | 83 |
| 2. | Trade receivables days (B) (2) | 59 | 46 | 40 | 51 | 49 | 49 | 49 |
| 3. | Other current assets (C) (3) | 29 | 30 | 58 | 62 | 45 | 45 | 45 |
| 4. | Trade payables days (D) (4) | 7 | 5 | 15 | 8 | 9 | 9 | 9 |
| 5. | Other current liabilities (E) (5) | 31 | 36 | 6 | 10 | 21 | 21 | 21 |
| 6. | **Net Working Capital Days (F=A+B+C-D-E)** | **121** | **106** | **157** | **204** | **147** | **147** | **147** |

*Note: As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
*$Numbers working days have been calculated based on the projections made by Company for Fiscal 2025, 2026 and 2027*
*(1) Inventory days means [(opening inventory + closing inventory) / 2] * cost of goods sold^ * 365.*
*(2) Trade receivables days means (trade receivable / revenue from operations) * 365.*
*(3) Other current assets means [(other current assets + loans and advances) / revenue from operations] * 365.*
*(4) Trade payable days means (trade payable/ cost of goods sold^) * 365.*
*(5) Other current liabilities means (other current liabilities / total cost) * 365.*
*^Cost of good sold=Direct Cost + Change in Inventory.*

*Assumptions and justifications for holding period levels of our Company*

Our Company's estimated working capital requirements on a standalone basis are based on the following key assumptions:

| S. No. | Particulars | Assumptions |
|---|---|---|
| ***Current Assets*** | | |
| 1. | Inventories | The holding levels were 71 days in Fiscal 2022, 71 days in Fiscal 2023, 80 days in Fiscal 2024 and 109 days for the six months period ended September 30, 2024. The increase in the holding level for the six months period ended September 30, 2024 was predominantly on account opportunities to procure inventory at favorable terms. From Fiscal 2025 and for subsequent years (Fiscal 2026 and Fiscal 2027) we expect the holding level to be in the range of 83 days which is an average of the last three and a half year. |
| 2. | Trade receivables | The trade receivables were 59 days in Fiscal 2022, 46 days in Fiscal 2023, 40 days in Fiscal 2024 and 51 days for the six months period ended September 30, 2024. The increase in the receivables for the six months period ended September 30, 2024 was predominantly on account the credit terms offered by us to our customers to support them in the sales of ICT product through their channels. From Fiscal 2025 and for subsequent years (Fiscal 2026 and Fiscal 2027) we expect it to be in the range of 49 days which is an average of the last three and a half year. |
| 3. | Other current assets | Other current assets include balance with statutory authorities, advance from vendors, advance provided to employees, prepaid expenses and deposits. The Company had maintained other current assets including other financial assets (excluding cash and cash equivalents and loans) at 29 days in Fiscal 2022, 30 days in Fiscal 2023, 58 days in Fiscal 2024 and 62 days for the six months period ended September 30, 2024. From Fiscal 2025 and for subsequent years (Fiscal 2026 and Fiscal 2027) we expect it to be in the range of 45 days which is an average of the last three and a half year. |

| S. No. | Particulars | Assumptions |
|---|---|---|
| ***Current Liabilities*** | | |
| 4. | Trade payables | In the past, the holding levels were 7 days in Fiscal 2022, 5 days in Fiscal 2023, 15 days in Fiscal 2024 and 8 days for the six months period ended September 30, 2024. The Company normally receives credit period one – two weeks from its vendors. From Fiscal 2025 and for subsequent years (Fiscal 2026 and Fiscal 2027) we expect it to be in the range of 9 days which is an average of the last three and a half year. |
| 5. | Other current liabilities | Other current liabilities includes Statutory dues payable, Provision for expenses, Deposit and Statutory dues payable. The Company had maintained holding level of other current liabilities (excluding bank borrowings) at 31 day in Fiscal 2022, 36 days in Fiscal 2023, 6 days in Fiscal 2024 and 10 day for the six months period ended September 30, 2024. From Fiscal 2025 and for subsequent years (Fiscal 2026 and Fiscal 2027) we expect it to be in the range of 21 days which is an average of the last three and a half year. |

*Note: As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*

### 3. General corporate purposes

Our Company intends to deploy any balance left out of the Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

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

(i) strategic initiatives;

(ii) funding growth opportunities;

(iii) strengthening marketing capabilities;

(iv) meeting ongoing general corporate contingencies; and

(v) any other purpose, as may be approved by the Board or duly appointed committee, from time to time, subject to compliance with applicable law.

In the event our Company is unable to utilise the Net Proceeds towards other Objects for any of the reasons as aforementioned, our Company may at its discretion utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals.

### Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Offer Related Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal advisors, Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI Mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Except for (i) the listing fees and audit fees of the statutory auditors and expenses for any corporate advertisements consistent with past practice of the Company, each of which will be borne solely by our Company, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer shall be borne by our Company and the Promoter Selling Shareholders in proportion to the number of Equity Shares issued and/or transferred by the Company and the Promoter Selling Shareholders in the Offer, respectively, except as may be prescribed by the SEBI or any other regulatory authority. The Promoter Selling Shareholders agree that it shall reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the Promoter Selling Shareholders irrespective of the completion of the Offer directly from the Public Offer Account. In the event of withdrawal of the Offer or the Offer is not successful or consummated, all costs and expenses with respect to the Offer shall be borne in a manner as mutually agreed between the Company and Promoter Selling Shareholders in accordance with Applicable Law.

The break-up for the estimated Offer expenses are as follows:

| **Activity** | **Estimated expenses (1) (₹ in million)** | **As a % of total estimated Offer related expenses (1)** | **As a % of Offer size (1)** |
|---|---|---|---|
| Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| Commission/ processing fee for SCSBs and Bankers to the Issue and fees payable to the Sponsor Bank(s) for Bids made by UPI Bidders. Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, RTAs and CDPs(2)(3)(4)(5)(6) | [●] | [●] | [●] |
| Fees payable to Registrar to the Offer | [●] | [●] | [●] |
| Fees payable to the parties to the Offer | [●] | [●] | [●] |
| Others: | | | |
| Listing fees, SEBI fees, BSE and NSE processing fees, book-building software fees, and other regulatory expenses | [●] | [●] | [●] |
| Printing and stationery expenses | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Miscellaneous | [●] | [●] | [●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

(1) *The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.*

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

| | |
|---|---|
| *Portion for RIIs* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *[●]% of the Amount Allotted* (plus applicable taxes)* |

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
*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. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.*

(3) *No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them.*
*Processing / uploading fees payable to the SCSBs on the portion for RIIs and Non-Institutional Investors which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for RIIs* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *[●]% of the Amount Allotted* (plus applicable taxes)* |

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

(4) *Selling commission on the portion for RIIs (using the UPI Mechanism), Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and 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 RIIs* | *[●]% of the Amount Allotted* (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *[●]% of the Amount Allotted* (plus applicable taxes)* |

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
*The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*
*Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIIs using 3-in-1 accounts and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*
*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.*

(5) *Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIIs procured through UPI Mechanism and Non-Institutional Investors which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| *Portion for RIIs** | *₹ [●] per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Investors** | *₹ [●] per valid application (plus applicable taxes)* |

* *Based on valid applications*

(6) *Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:*

| | |
|---|---|
| *Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs* | *₹ [●] per valid application (plus applicable taxes)* |
| *Payable to Sponsor Banks* | *₹ [●] per valid application (plus applicable taxes)*<br>*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 Escrow and Sponsor Bank Agreement.*

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 ICDR Master Circular read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and SEBI Master Circular no. SEBI/HO/MIRSD/POD1/P/CIR/2023/70 dated May 17, 2023, each to the extent applicable, and not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations.

**Bridge financing facilities**

We have not availed bridge financing from any bank or financial institution which are required to be repaid from the Net Proceeds.

**Appraising Entity**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law. For details, see *"Risk Factors – Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations.*" on page 48.

**Monitoring utilization of funds from the Offer**

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Gross Proceeds as the size of the Fresh Issue exceeds ₹ 1,000.00 million. Our Company will provide details/ information/ certifications on the utilisation of Gross Proceeds obtained from our Statutory Auditors to the Monitoring Agency. Our Audit Committee and the monitoring agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Gross Proceeds towards the general corporate purposes) and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The quarterly report shall provide item by item description for all the expense heads under each Object of the Offer. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such unutilised Gross Proceeds.

Pursuant to the Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Gross Proceeds of the Offer from the Objects as stated above. The 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. We will disclose the utilization of the Gross Proceeds under a separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilized clearly specifying the purpose for which such Gross Proceeds have been utilized.

**Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution passed in a general meeting of its Shareholders or through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution, shall specify the prescribed details and be published in accordance with the Companies Act, 2013. 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 Regulations. For further details see, "*Risk Factors - Any variations in our funding requirements and the proposed deployment of Net Proceeds may affect our business and results of operations.*" on page 48.

**Other Confirmations**

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, no part of the Net Proceeds will be paid to our Promoters, members of the Promoter Group, Group Companies, Directors, our Key Managerial Personnel or Senior Management. Our Company has neither entered into nor has planned to enter into any arrangement/ agreements with our Promoters, members of the Promoter Group, Directors, our Key Managerial Personnel, our Senior Management and/or our Group Companies in relation to the utilization of the Net Proceeds. Further, there are no material existing or anticipated interest of such individuals and entities in the Objects of the Offer except as set out above.

## BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Bidders should also see "*Risk Factors*", "*Our Business*", "*Summary Financial Information*", "*Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 169, 60, 229 and 295, respectively, to have an informed view before making an investment decision.

**Qualitative Factors**

We believe that some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT devices overall, both globally and in India;
- We are a company with domestic and international operations with five refurbishing facilities across India, USA and UAE;
- Strong global supply chain, established sourcing base with long tail of vendors and wide customer base;
- Well - established refurbishing capabilities and state – of - art infrastructure, with focus on quality;
- Well positioned to harness global shift to sustainability and growing focus on ESG;
- Experienced management team and qualified personnel with significant industry experience; and
- Track record of profitability and consistent financial performance.

For further details, see "*Our Business – Our Strengths*" on page 192.

**Quantitative Factors**

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Financial Information*" and "*Other Financial Information*" on pages 229 and 293, respectively.

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

**A. Basic and Diluted Earnings per share for continuing operations ("EPS") (face value of each Equity Share in ₹)**

| Fiscal/Period ended | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| 2024 | 5.37 | 5.37 | 3 |
| 2023 | 3.33 | 3.33 | 2 |
| 2022 | 2.24 | 2.24 | 1 |
| **Weighted Average for the above three Fiscals** | **4.17** | **4.17** | |
| September 30, 2024* | 3.61 | 3.61 | |

* *Not annualized.*

*Notes:*

*i) The face value of each Equity Share is ₹ 2.*

*ii) Basic Earnings per share = Basic earnings per share are calculated by dividing the restated net profit for the period / year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.*

*iii) Diluted Earnings per share = Diluted earnings per share are calculated by dividing the restated net profit for the period / year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period / year as adjusted for the effects of all dilutive potential Equity Shares during the year.*

*iv) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

*v) 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.*

**B. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

| Particulars | P/E at the Floor Price (number of times) | P/E at the Cap Price (number of times) |
|---|---|---|
| Based on Basic EPS for Fiscal 2024* | [●] | [●] |
| Based on Diluted EPS for Fiscal 2024* | [●] | [●] |

* *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

## C. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 38.01, the lowest P/E ratio is 38.01 and the average P/E ratio is 38.01.

| Particulars | P/E ratio |
|---|---|
| Highest | 38.01 |
| Lowest | 38.01 |
| Average | 38.01 |

*Source: The highest, lowest and average Industry P/E shown above is based on the industry peer set provided below under "Comparison of accounting ratios with listed industry peers" on page 99.*

## D. Return on Net Worth ("RoNW")

| Fiscal / Period ended | RoNW (%) | Weight |
|---|---|---|
| 2024 | 31.96% | 3 |
| 2023 | 28.97% | 2 |
| 2022 | 27.36% | 1 |
| **Weighted Average for the above three Fiscals** | **30.20%** | |
| September 30, 2024* | 17.76% | |

* *Not annualized.*

*Notes:*

i. *Return on Net Worth (%) = Restated Net profit after tax for the year/period attributable to the owners of the Company divided by the Restated Net worth for the year/ period attributable to the Shareholders.*

## E. Net Asset Value ("NAV") per Equity Share

| Net Asset Value per Equity Share | Amount (₹) |
|---|---|
| As at March 31, 2024 | 16.80 |
| As at September 30, 2024 | 20.34 |
| After the Offer* | [●] |
| - At Floor Price | [●] |
| - At Cap Price | [●] |
| At Offer Price | [●] |

* *Offer Price per Equity Share will be determined on conclusion of the Book Building Process*

*Notes:*

i. *Net Asset Value per equity share is calculated as restated net worth for the year/ period attributable to owners of the Company / weighted average number of equity shares for the year/ period.*

*For further details, see "Other Financial Information" on page 293.*

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

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

| Name of Company | Total income for Fiscal 2024 (in ₹ million) | Face Value (₹ Per Share) | Closing price on December 9, 2024 (₹) | EPS (₹) (Basic) | EPS (₹) (Diluted) | NAV (₹ per share) | P/E ratio | RoNW (%) |
|---|---|---|---|---|---|---|---|---|
| Our Company | 11,437.97 | 2 | [●] | 5.37 | 5.37 | 16.80 | NA | 31.96 |
| **Peer Group** | | | | | | | | |
| Newjaisa Technologies Limited | 618.04 | 5 | 87.05 | 2.29 | 2.29 | 17.16 | 38.01 | 11.44 |

*Source: All the financial information for listed industry peer mentioned above is on a standalone basis and is sourced from the annual report for Fiscal 2024 of Newjaisa Technologies Limited.*
*Source for GNG Electronics Limited: Based on the Restated Consolidated Financial Information.*

*Notes for listed peer:*

i. *P/E Ratio has been computed based on the market price of equity shares on NSE on closing of December 9, 2024 divided by the Diluted EPS provided as on March 31, 2024.*

ii. *Return on net worth (RoNW) is computed as profit/ (loss) for the year attributable to Equity shareholders divided by net worth as at March 31, 2024.*

iii. *NAV per equity share has been computed as the networth divided by the total number of shares outstanding, as at March 31, 2024.*

## G. Key Performance Indicators

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 13, 2024 and the Audit Committee has confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by our Statutory Auditors pursuant to a certificate dated December 14, 2024. This certificate has been designated as a material document for inspection in connection with the Offer. See "*Material Contracts and Documents for Inspection*" on page 395.

The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company, which have been consequently identified as relevant and material KPIs and are disclosed in this "*Basis for Offer Price*" section.

In addition to the above, the Audit Committee also noted that other than the below mentioned KPIs, there are certain items/ metrics which have been included in the business description, management discussion and analysis or financials in this DRHP but these are not considered to be a performance indicator or deemed to have a bearing on the determination of Offer Price. For details, see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Consolidated Financial Information*" on pages 169, 295 and 229, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year, for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" starting on page 84 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

Key performance indicators:

Our Company considers the following key performance indicators ("**KPI**") to have a bearing for arriving at the basis for the Offer Price The table below also sets forth KPIs as at/ for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(*in ₹ million, unless otherwise stated*)

| **Particulars** | **Six months period ended September 30, 2024** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|---|
| Revenue from Operations (1) | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Gross Margin (2) | 1,026.22 | 1,401.52 | 1,011.45 | 616.51 |
| Gross Margin (%) (3) | 16.88% | 12.31% | 15.34% | 11.84% |
| EBITDA(4) | 633.69 | 849.04 | 500.40 | 346.70 |
| EBITDA Margin (%) (5) | 10.42% | 7.46% | 7.59% | 6.66% |
| PAT(6) | 352.12 | 523.05 | 324.28 | 217.70 |
| PAT Margin (%) (7) | 5.79% | 4.60% | 4.92% | 4.18% |
| RoE (%) (8)* | 17.76% | 31.96% | 28.97% | 27.36% |
| ROCE (%) (9)* | 8.43% | 16.72% | 17.91% | 18.06% |
| Net Working Capital (no. of days) (10) | 146 | 42 | 61 | 60 |
| Property, plant and equipment (Gross) turnover ratio (11)* | 15.95 | 31.97 | 60.65 | 51.73 |
| Revenue split by geography | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| - *Within India* | *1,480.30* | *4,783.90* | *3,262.92* | *3,112.58* |
| - *Outside India* | *4,599.32* | *6,597.48* | *3,332.50* | *2,092.37* |
| Volume of devices refurbished (no.) (12) | 2,59,628 | 3,69,320 | 2,48,135 | 1,95,651 |
| No. of customers served (no.) (13) | 3,265 | 3,252 | 1,833 | 1,263 |
| No. of procurement partners (no.) (14) | 447 | 356 | 265 | 157 |

**Not annualized.*

.

*Notes:*

1. *Revenue from operations as per Restated Consolidated Financial Information.*
2. *Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross Margin (%) is computed as material margin divided by revenue from operations *100.*
4. *EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses.*
5. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.*
6. *Restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT Margin (%) is calculated as restated profit for the year divided by Revenue from Operation.*
8. *Return on Equity (%) is calculated as PAT attributable to owners of the Company as a % Shareholders' equity.*
9. *ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings.*
10. *Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities.*

11. *Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of property, plant and equipment as per Restated Consolidated Financial Information.*
12. *Volume of devices refurbished (Nos) is calculated as sum of total numbers of ICT devices refurbished by the Company during the period.*
13. *No. of customers served (Nos.) is calculated as sum of customers invoiced by the Company during the period.*
14. *No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period.*

**Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the GAAP measures and to not rely on any single financial or operational metric to evaluate our business.

Explanation for the KPI metrics

| S. No. | KPI | Explanation |
|---|---|---|
| 1. | Revenue from Operations (*in ₹ million*) | Revenue from Operations is used by the Company to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business. |
| 2. | Gross Margin (*in ₹ million*) | Gross profit provides information regarding the profits earned by reducing the material cost from Revenue from operations. |
| 3. | Gross Margin (*%*) | Gross profit margin is an indicator of the profitability on Revenue from Operations. |
| 4. | EBITDA (*in ₹ million*) | EBITDA provides information regarding the operational efficiency of the business. |
| 5. | EBITDA Margin (*%*) | EBITDA margin is an indicator of the operational profitability and financial performance of the business. |
| 6. | PAT (*in ₹ million*) | Profit after tax provides information regarding the overall profitability of the business. |
| 7. | PAT Margin (*%*) | PAT Margin is an indicator of the overall profitability and financial performance of the business. |
| 8. | RoE (*%*) | RoE provides how efficiently the Company generates profits from shareholders' funds. |
| 9. | ROCE (*%*) | ROCE provides how efficiently the Company generates earnings from the capital employed in the business. |
| 10. | Net Working Capital (*no. of days*) | Measure the conversion of working capital into cash, reflecting liquidity and operational efficiency. |
| 11. | Property, plant and equipment (Gross) turnover ratio | Property, plant and equipment (Gross) turnover ratio measures the efficiency with which a company generates sales from its existing property, plant and equipment. |
| 12. | Revenue split by geography (*in ₹ million*) | Revenue from Operations of the business split for its share within India and outside India enables the Company to track the progress of the revenues in the domestic and export markets. |
| | *Within India (in ₹ million)* | |
| | *Outside India (in ₹ million)* | |
| 13. | Volume of devices refurbished (*no.*) | This metrics enables tracking of scale of operational facilities and thereby provides various operational insights which are used to allocate resources and improve efficiencies. |
| 14. | No. of customers served (*no.*) | This metrics enables tracking the demand of product from long tail of customers and thereby provides various operational insights to plan demand and serve the same effectively. |
| 15. | No. of procurement partners (*no.*) | This metrics enables tracking the sources of procurement from long tail of partners and thereby provides various operational insights which are used to ensure sustained procurement of used ICT devices. |

## H. Comparison of its KPIs with Listed Industry Peer

*Comparison of our Company's KPIs for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 with listed industry peer:*

(*in ₹ million, unless otherwise stated*)

| Particulars | GNG Electronics Limited | | | | Newjaisa Technologies Limited | | | |
|---|---|---|---|---|---|---|---|---|
| | As at and for the Fiscal / period ended | | | | As at and for the Fiscal / period ended | | | |
| | September 30, 2024 | 2024 | 2023 | 2022 | September 30, 2024 | 2024 | 2023 | 2022 |
| Revenue from Operations (1) | 6,079.62 | 11381.38 | 6595.42 | 5,204.95 | 337.23 | 617.32 | 445.30 | 279.19 |
| Gross Margin (2) | 1,026.22 | 1401.52 | 1011.45 | 616.51 | 150.47 | 288.13 | 193.28 | 88.48 |
| Gross Margin (%) (3) | 16.88% | 12.31% | 15.34% | 11.84% | 44.62% | 46.67% | 43.40% | 31.69% |
| EBITDA(4) | 633.69 | 849.04 | 500.40 | 346.70 | 52.05 | 89.38 | 87.39 | 30.18 |
| EBITDA Margin (%) (5) | 10.42% | 7.46% | 7.59% | 6.66% | 15.44% | 14.48% | 19.62% | 10.81% |
| PAT(6) | 352.12 | 523.05 | 324.28 | 217.70 | 33.93 | 63.18 | 67.36 | 18.02 |
| PAT Margin (%) (7) | 5.79% | 4.60% | 4.92% | 4.18% | 10.06% | 10.23% | 15.13% | 6.45% |
| RoE (%) (8)* | 17.76% | 31.96% | 28.97% | 27.36% | 3.84% | 11.44% | 72.42% | 70.78% |
| ROCE (%) (9)* | 8.43% | 16.72% | 17.91% | 18.06% | 4.14% | 13.26% | 51.98% | 68.58% |
| Net Working Capital (no. of days) (10) | 146 | 42 | 61 | 60 | 896 | 265 | 72 | 29 |
| Property, plant and equipment (Gross) turnover ratio (11)* | 15.95 | 31.97 | 60.65 | 51.73 | NA# | 4.80 | 104.09 | 99.43 |
| Revenue split by geography | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 | 337.23 | 617.32 | 445.30 | 279.19 |
| *Within India* | *1,480.30* | *4,783.90* | *3,262.92* | *3,112.58* | 337.23 | 617.32 | 445.30 | 279.19 |
| *Outside India* | *4,599.32* | *6,597.48* | *3,332.50* | *2,092.37* | NA# | NA# | NA# | NA# |
| Volume of devices refurbished (no.) (12) | 2,59,628 | 3,69,320 | 2,48,135 | 1,95,651 | 25,350 | 54,322 | 42,043 | 24,959 |
| No. of customers served (no.) (13) | 3,265 | 3,252 | 1,833 | 1,263 | NA# | NA# | NA# | NA# |
| No. of procurement partners (no.) (14) | 447 | 356 | 265 | 157 | NA# | NA# | NA# | NA# |

**Not annualized.*
*# Information is not publicly available.*
*Source: All the financial information for listed industry peer mentioned above is on a standalone basis and is sourced from the annual report for Fiscal 2024 of Newjaisa Technologies Limited.*
*Notes:*

1. *Revenue from operations as per Restated Consolidated Financial Information.*
2. *Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross Margin (%) is computed as material margin divided by revenue from operations *100.*
4. *EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses.*
5. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.*
6. *Restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT Margin (%) is calculated as restated profit for the year divided by Revenue from Operation.*
8. *Return on Equity (%) is calculated as PAT attributable to owners of the Company as a % Shareholders' equity.*
9. *ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings.*
10. *Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities.*
11. *Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of property, plant and equipment as per Restated Consolidated Financial Information*
12. *Volume of devices refurbished (Nos) is calculated as sum of total numbers of ICT devices refurbished by the Company during the period.*
13. *No. of customers served (Nos.) is calculated as sum of customers invoiced by the Company during the period.*
14. *No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period.*

## I. Comparison of KPIs over time based on additions or dispositions to the business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

## J. Weighted average cost of acquisition, Floor Price and Cap Price

**(a) Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days. ("Primary Transactions")**

There has been no issuance of Equity Shares or convertible securities, excluding the issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

**(b) Price per share of our Company based on secondary sale / acquisition of Equity Shares or convertible securities, where our Promoters, Selling Shareholders, members of our Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft 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 the pre-Offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) on the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)and excluding employee stock options 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 such transactions to report to under (a) and (b), therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholders or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:**

a. Primary transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

| Date of Allotment | Number of Equity Shares | Face value per equity share (₹) | Issue Price Equity Shares | Nature of allotment | Nature of consideration | Total Consideration (in ₹ million) |
|---|---|---|---|---|---|---|
| December 5, 2024 | 96,940,000 | 2 | Nil | Bonus Issue | N.A. | Nil |
| March 31, 2022 | 3,725* | 2 | 20,451.40* | Rights Issue | Cash | 76.18 |
| Weighted average cost of acquisition (WACA) (primary issuances) (₹ per Equity Share) | | | | | | 0.79 |

*As certified by our Statutory Auditor, pursuant to their certificate dated December 14, 2024.*
** Adjusted for Split of Equity Shares.*

b. Secondary transactions:

Except as disclosed below, there have been no secondary transactions in which Promoters, members of the Promoter Group, Selling Shareholders are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus:

| Date of Transfer | Name of Transferee | Name of Transferor | Number of Equity Shares | Face value per equity share (₹) | Price Equity Shares | Nature of transaction | Nature of consideration | Total Consideration (in ₹ million) |
|---|---|---|---|---|---|---|---|---|
| September 27, 2024 | Karuna Rajendra Ringshia | Sharad Khandelwal | 2,505* | 2 | Nil^ | Gift | Other than cash | Nil |
| September 27, 2024 | Pramila Khandelwal | Sharad Khandelwal | 2,505* | 2 | Nil^ | Gift | Other than cash | Nil |
| Weighted average cost of acquisition (WACA) (Secondary issuances) (₹ per Equity Share) | | | | | | | | Nil |

*As certified by our Statutory Auditor, pursuant to their certificate dated December 14, 2024.*
** Adjusted for bonus issue and split of Equity Shares.*
*^ Nil as it was a gift transfer.*

**Weighted average cost of acquisition, floor price and cap price**

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Share) | Floor price (i.e., ₹ [•]) | Cap price (i.e., ₹ [•]) |
|---|---|---|---|
| WACA of Primary Transactions | NA | [·] times | [·] times |
| WACA of Secondary Transactions | NA | [·] times | [·] times |
| Since there were no Primary Transactions or Secondary Transactions during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions (where promoters/promoter group entities or the Investor Selling Shareholder or shareholder(s) having the right to nominate director(s) on the Board), are a party to the transaction, not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of the transaction | | | |
| - Based on primary transactions | 0.79 | [·] times | [·] times |
| - Based on secondary transactions | Nil | [·] times | [·] times |

*Note: As certified by our Statutory Auditors, pursuant to their certificate dated December 14, 2024.*

**K. Explanation for Offer Price / Cap Price being [·] times of WACA of Primary Issuance (set out in VIII above) along with our Company's key financial and operational metrics and financial ratios for six months period ended September 30, 2024, Fiscals 2024, 2023 and 2022.**

[·]*

* *To be included on finalisation of Price Band.*

**L. Explanation for Offer Price / Cap Price being [·] times of WACA of Secondary Transactions (set out in VIII above) in view of the external factors which may have influenced the pricing of the Offer.**

[·]*

* *To be included on finalisation of Price Band.*

**M. 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 BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company, in consultation with the BRLMs are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", *Management Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 25, 169, 295, and 229, 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*" on page 25 and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

Date: December 13, 2024

**The Board of Directors,**
**GNG Electronics Limited**
415, Hubtown Solaris, N.S.Phadke Marg,
Near East West Flyover Bridge, Andheri East
Mumbai – 400069
Maharashtra, India

Dear Sirs/ Madams,

**Sub: Statement of possible special tax benefit (the "Statement") available to GNG Electronics Limited (the "Company"), the shareholders of the Company and its Material Subsidiary *(as defined in Schedule I)* prepared to comply with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended (the "SEBI ICDR Regulations) in connection with the proposed initial public offering of equity shares of face value of ₹ 2 each (the "Equity Shares") of the Company (such offering, the "Offer")**

We, Shankarlal Jain & Associates LLP, Statutory Auditors of the Company, hereby confirm that the enclosed Annexure A, prepared by the Company and initialled by us for identification purpose ("**Statement**") for the Offer, provides the possible special tax benefits available to the Company, the shareholders of the Company and its material subsidiary (as defined in Schedule I) ("**Material Subsidiary**") under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively, "**GST Act**"), Customs Act, 1962 and the Customs Tariff Act, 1975 (read with the rules, circulars and notifications issued in connection thereto) . Several of these benefits are dependent on the Company, its material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of Material Subsidiary (as defined in Schedule I) identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A**. Any benefits under the taxation laws other than those specified in Annexure A are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the Annexure A have not been examined and covered by this statement.

The benefits discussed in the enclosed Statement are not exhaustive. 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 changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

In respect of non-residents, 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.

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

- The Company, he shareholders of the Company and its Material Subsidiary (as defined in Schedule I) will continue to obtain these benefits in the future; or
- The conditions prescribed for availing of the benefits, where applicable have been/would be met with.
- The revenue authorities/courts will concur with the views expressed herein.

This statement is prepared solely in connection with the Offer and is not to be used, referred to or distributed for any other purpose.

**LIMITATIONS**

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.

Yours faithfully,

For and on behalf of Shankarlal Jain & Associates LLP
Chartered Accountants
Firm Registration Number: 109901W/W100082

Name: Satish Jain
Designation: Partner
Membership No.: 048874
UDIN: 24048874BKAPTU4404
Place: Mumbai

## SCHEDULE I

### LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

- Income-tax Act, 1961 and Income-tax Rules, 1962
- Central Goods and Services Tax Act, 2017
- Integrated Goods and Services Tax Act, 2017
- Union Territory Goods and Services Tax Act, 2017
- Goods and Services Tax legislations as promulgated by various states
- Customs Act, 1962

### LIST OF MATERIAL SUBSIDIARY CONSIDERED AS PART OF THE STATEMENT

There is one material subsidiary as on March 31, 2024 named Electronics Bazaar FZC, Sharjah.

*Note 1: Material subsidiary identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. March 31, 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiary in the immediate preceding year.*

## ANNEXURE A

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, THE SHAREHOLDERS OF THE COMPANY AND ITS MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA**

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, 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 BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

**STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY AND THE MATERIAL SUBSIDIARY**

### I. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961

The statement of tax benefits outlined below is as per the Income-tax Act, 1961 read with Income Tax Rules, circulars, notifications ("**Income Tax Law**"), as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the Income Tax Law. Hence, the ability of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

Lower corporate tax rate under Section 115BAA of the Income-tax Act, 1961 ("**the Act**"): As per Section 115BAA of the Act as inserted vide the Taxation Laws (Amendment) Act, 2019, with effect from Financial Year 2021-22, 2022-23, 2023-24 (i.e. AY 2022-23, 2023-24, 2024-25), a domestic company has an option to pay income tax in respect of its total income at a concessional tax rate of 22% (plus surcharge of 10% and cess of 4%) provided the company does not avail specified exemptions/incentives/ deductions or set-off of losses, unabsorbed depreciation etc. and claiming depreciation in prescribed manner and complies with other conditions specified in section 115BAA of the Act.

In case a company opts for Section 115BAA of the Act, provisions of MAT under Section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised on or before the due date of filing the tax return in prescribed manner. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year and therefore, shall apply to subsequent assessment years. Further, if the conditions mentioned in section 115BAA of the Act are not satisfied in any year, the option exercised shall become invalid in respect of 155 such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The tax expenses are recognized in the statement of profit and loss of for the year ended March 2024 by applying the tax rate as prescribed in Section 115BAA of the Act. The Company has represented to us that they have opted for section 115BAA of the Act from the Assessment Year 2022-23 onwards.

### II. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend. The shareholders would be eligible to claim the credit of such tax in their return of income.

However, as per the provisions of section 194 of the Act, no deduction of tax at source would be required in case of an individual, where dividend is distributed in modes other than cash and the aggregate amount of such dividends distributed during the year by the company to the shareholder does not exceed Rs. 5,000.

As per Section 112A of the Act, long-term capital gains arising from transfer of a listed equity share shall be taxed at 12.5% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act. It is worthwhile to note that tax shall be payable on long-term capital gains exceeding INR 1,25,000. This new tax rate will apply to securities sold on or after July 23,2024 for the FY 2024-25.

## III. SPECIAL INCOME TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY

The Material Subsidiary is incorporated and regulated by the Sharjah Airport International Free Zone (SAIF Zone) Authority, Government of Sharjah. Sharjah Airport International Free Zone is a No Tax Emirate, accordingly, no income tax is applicable to Material Subsidiary.

**STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY**

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "**Indirect tax**")

**I. STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY**

*A. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)*

Remission of Duties and Taxes on Exported Products (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on 14th September 2019 to boost exports. The objective of scheme is to refund, currently un-refunded duties/taxes/levies at the Central, State and Local level, borne on the exported product including prior stage cumulative indirect taxes on goods and services used in production of the exported product; and such indirect duties/taxes/levies in respect of distribution of exported products. Under the scheme, rebate of aforesaid taxes will be given in the form of electronic scrip which could be utilized for payment of Basic Customs Duty.

*B. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962*

As per section 75, Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such exported goods. Unlike the manner of granting benefit under aforesaid FTP schemes, here the main principle is that the Government fixes a rate per unit of final article to be exported out of the country as the drawback amount payable on such goods.

*C. Benefits under the Central Goods and Services Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017*

Export of goods or/ and services under the Goods and Services Tax ('GST') law. GST law inter-alia allows export of goods or / and services at zero rate on fulfilment of certain conditions. Exporters can export under Bond / Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated Input tax credit ('ITC'). There is also an alternative available to export with payment of IGST and subsequently claim rebate (refund thereof) as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. The Finance Bill 2021 however has inserted suitable provisions stating that the said benefit of exporters to pay IGST on exports and subsequently claiming rebate thereof would be available only to notified persons, though the relevant notification in this regard is awaited.

**II. SPECIAL INDIRECT TAX BENEFITS FOR SHAREHOLDERS OF THE COMPANY**

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

**III. SPECIAL INDIRECT TAX BENEFITS FOR MATERIAL SUBSIDIARY OF THE COMPANY**

There is no indirect tax benefits available to the material subsidiaries of the company

- The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a 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.

- The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

- The Company or its shareholders will continue to obtain these benefits in future;

- The conditions prescribed for availing the benefits have been / would be met with; and
- The revenue authorities / courts will concur with the view expressed herein.
- The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time and that department may take a view contrary to that indicated above.

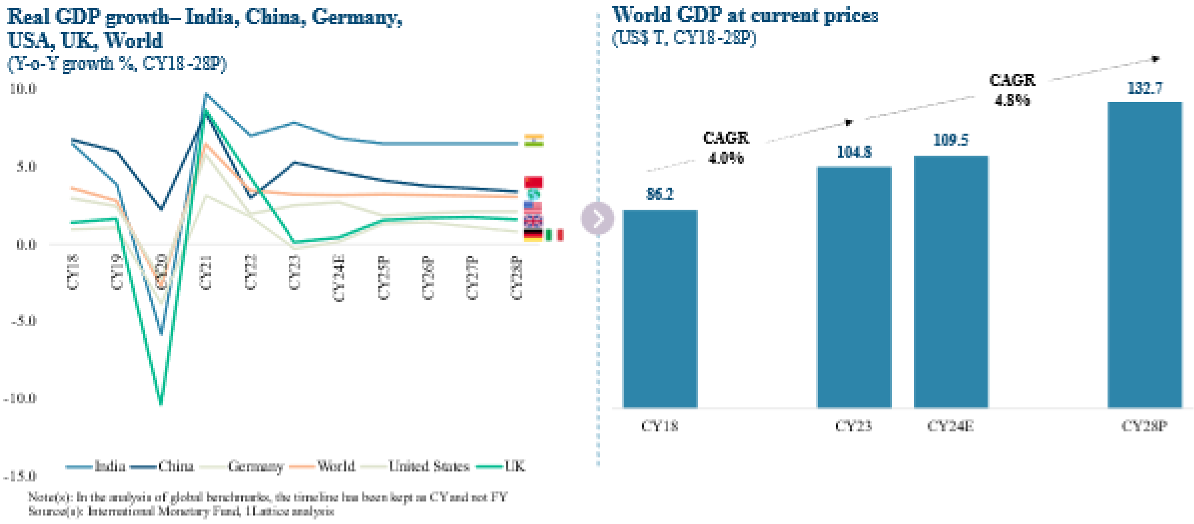
## SECTION V – ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Electronics Refurbishment Industry Report", dated December 12, 2024 (the "**1Lattice Report**"), prepared by Lattice Technologies Private Limited ("**1Lattice**"). We commissioned the 1Lattice Report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the 1Lattice Report. Further, the 1Lattice Report was prepared based on publicly available information, data and statistics as of specific dates and may no longer be current or reflect current trends. 1Lattice has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The 1Lattice Report may also be based on sources that base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. 1Lattice has advised that it does not guarantee the accuracy, adequacy or completeness of the 1Lattice Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of 1Lattice Report or the data therein. Further, the 1Lattice Report is not a recommendation to invest / disinvest in any company covered in the report. 1Lattice especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the 1Lattice Report. Prospective investors are advised not to unduly rely on the 1Lattice Report when making their investment decision. Unless otherwise stated Fiscal refers to the financial year ended March 31 of that year.*

### 1.1 The global GDP is expected to rise at a CAGR of 4.8% from CY23-28, having grown at a CAGR of 4.0% from CY18-23

Global growth in CY23 exceeded 4%, despite challenges such as higher interest rates, tighter financial conditions, and geopolitical tensions, including Russia's ongoing war in Ukraine, the escalating conflict in the Middle East, and strained US-China relations marked by sanctions on goods ranging from solar cells to computer chips. GDP growth is projected to average 4.8% from CY23 to CY28. In comparison, India is expected to sustain the highest growth rate, with its current year-on-year growth rate at 6.3% in CY23, and is expected to maintain the highest growth rate till CY28. Rising global GDP increases disposable income, driving demand for cost-effective refurbished electronics as consumers seek value-oriented technology upgrades.




### 1.2 Emerging Asia region is expected to have the highest GDP growth rates when compared to other global economies

Regional variations have resulted in stronger growth rates in certain areas compared to other regions. In comparison, Emerging Asia is expected to maintain the highest growth rate, with its current Y-o-Y growth rate at 5.2% in CY24E. This growth is driven by robust domestic consumption in most ASEAN countries and significant public investments in China and India.

**Real GDP growth – Global economies**
(Y-o-Y growth %, CY18-CY28P)

| Global economies | CY18 | CY19 | CY20 | CY21 | CY22 | CY23 | CY24E | CY28P |
|---|---|---|---|---|---|---|---|---|
| Emerging Asia | 6.4% | 5.2% | -0.5% | 7.7% | 4.4% | 5.6% | 5.2% | 4.5% |
| Emerging Europe | 3.6% | 2.5% | -1.6% | 7.5% | 1.2% | 3.2% | 3.1% | 2.6% |
| Euro area* | 1.8% | 1.6% | -6.1% | 5.9% | 3.4% | 0.4% | 0.8% | 1.3% |
| Major advanced economies (G7*) | 2.1% | 1.7% | -4.1% | 5.5% | 2.2% | 1.7% | 1.7% | 1.6% |
| Latin America and the Caribbean | 1.1% | 0.2% | -7.0% | 7.3% | 4.2% | 2.3% | 2.0% | 2.5% |
| Middle East and Central Asia | 2.8% | 1.7% | -2.4% | 4.5% | 5.3% | 2.0% | 2.8% | 3.6% |
| Sub-Saharan Africa | 3.3% | 3.2% | -1.6% | 4.7% | 4.0% | 3.4% | 3.8% | 4.3% |

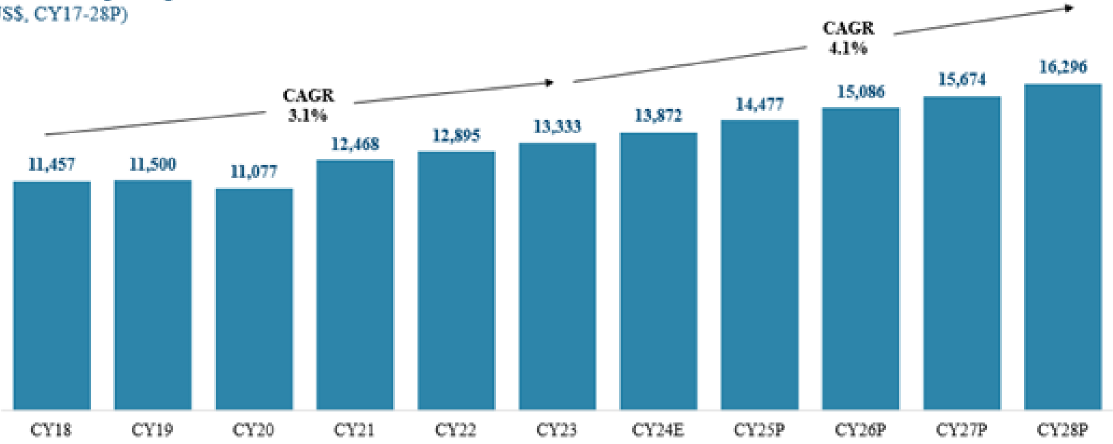
Source(s): International Monetary Fund

*Note(s): *Euro area consists of advanced Economies like Germany, France, Italy, Spain, Netherlands, etc. *G7 includes Canada, France, Germany, Italy, Japan, USA and UK*

## 1.3 World GDP per capita is expected to grow at CAGR of 4.1% during CY23-28 and reach US$ 16,296

According to the International Monetary Fund (IMF), world GDP per capita is expected grow steadily in CY24 and CY25. It has grown at a CAGR of 3.1% during CY18-CY23 and is expected to grow at a CAGR of 4.1% during CY23-28 and reach US$ 16,296.

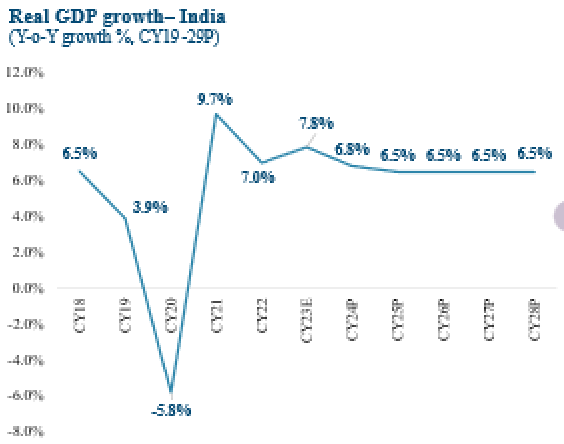
**World GDP per capita**
(US$, CY17-28P)

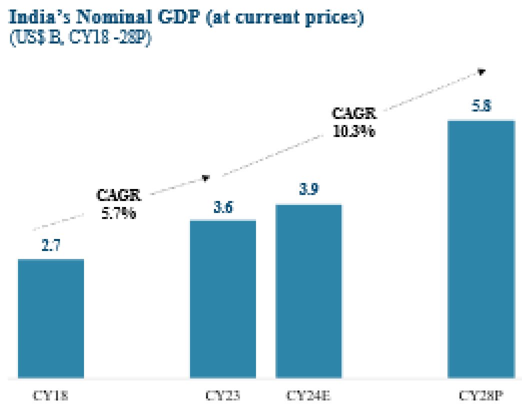



Source(s): International Monetary Fund, 1Lattice analysis

## 1.4 India's GDP was at US$ 3.6T in CY23 and is estimated to reach US$ 5.8T in CY28, growing at a CAGR of 10.3% from CY23-28

India is the fifth largest economy in the world and is expected to be the third largest by CY28. As per government targets, it is expected to reach US$ 7T by CY30. Over the next 10-15 years, India is expected to be among the top economies due to demand, robust growth in various sectors, and increased private consumption. Indian private consumption is expected to be driven by an increasing proportion of the male and female working-age population and a rise in household income.




Source(s): International Monetary Fund, 1Lattice analysis

India's GDP (at current prices) grew from US$ 2.7T to US$ 3.6T between CY18 and CY23 due to robust reforms like GST, corporate tax revision, and revised FDI limits. As per IMF projections, India's GDP (at current prices) is expected to grow at a rate of 10.3% from CY23 to CY28, making it one of the fastest-growing large economies globally.

## 1.5 India's per capita income stood at US$ 2.5K in CY23 and is expected to reach US$ 3.9K by CY28

India's per capita income is expected to rise from US$ 2.5K to US$ 3.9K by CY28 growing at a CAGR of 9.4%. With increased demand, substantial per capita income growth, and a demographic advantage, India is positioned as a market with vast growth opportunities.

**Global GDP per capita – Top economies**
(US$, CY18-28P)

| Top economies | CY18 | CY23 | CY24E | CY28P | CAGR CY18-23 | CAGR CY23-28 |
|---|---|---|---|---|---|---|
| India | 1,974 | 2,500 | 2,731 | 3,911 | 4.8% | 9.4% |
| China | 9,849 | 12,514 | 13,136 | 16,782 | 4.9% | 6.0% |
| UK | 43,275 | 49,099 | 51,075 | 63,279 | 2.6% | 5.2% |
| USA | 63,165 | 81,632 | 85,373 | 97,231 | 5.3% | 3.6% |
| Germany | 47,961 | 52,727 | 54,291 | 61,965 | 1.9% | 3.3% |

Source(s): International Monetary Fund , 1Lattice analysis

Over CY23-28, India's GDP per capita is projected to grow at 9.4% annually, driven by strong manufacturing, youthful workforce, higher agricultural output, rising consumer spend and robust government spending, making it the fastest-growing major economy, followed by China (6.0%), the UK (5.2%), the USA (3.6%), and Germany (3.3%). India's GDP growth is driven by factors like:

- <u>**Rise in population**</u>

  India's population was 1.1B in 2000, and grew at a CAGR of 1.2% till CY23 to reach 1.45B; the Indian population is expected to grow at 0.8% CAGR from CY23 to 1.5B in 2030. India has surpassed China to become the most populous country in the world in CY23. A rise in India's population, especially in the working-age group, is expected to grow GDP by expanding the labour force, boosting productivity, and increasing consumer demand, driving economic activity.

- **Demographic dividend**

  India's demographic dividend, characterized by a large and youthful workforce, serves as a key growth driver for GDP by increasing labour supply, boosting productivity, and fostering innovation. This favourable age structure offers a window of opportunity for accelerated economic growth, provided there is adequate investment in education, skill development, and employment creation.

- **Increase in consumer spending**

  India is primarily a consumer demand–driven economy, with private consumption accounting for over 60% of GDP. An uptick in consumer spending typically signals a broader economic expansion. Consumer spending in India is forecasted to surpass US$ 4T by CY30.

- **Government spending**

  The Indian government has been focusing on capital expenditure, particularly in infrastructure and asset-building projects. This includes investments in roads, railways, and other public infrastructure, which have a multiplier effect on the economy.

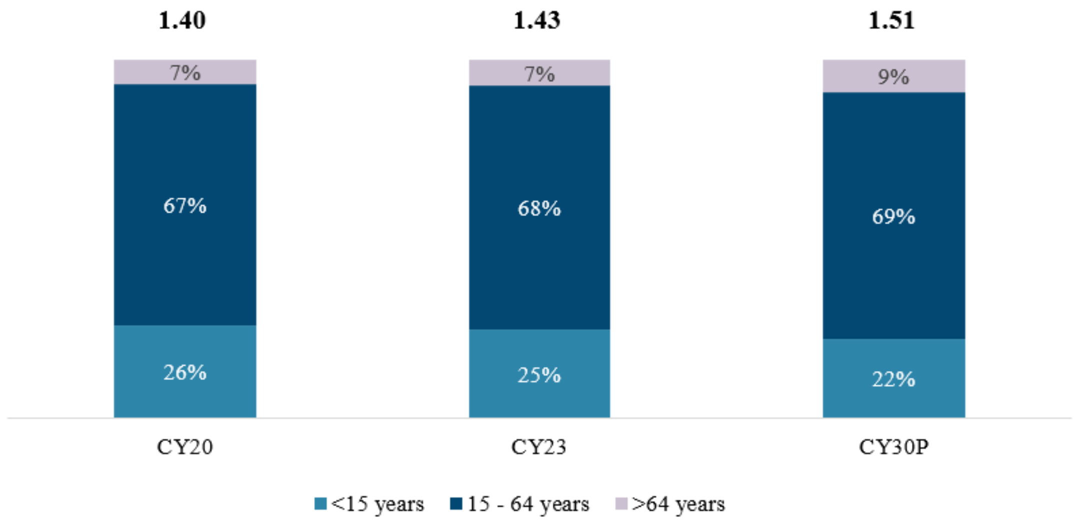
- **Increase in Gross Fixed Capital Formation**

  According to the Ministry of Statistics and Programme Implementation (MoSPI), GFCF as a percentage of GDP increased from 29.2% in FY23 to 31.3% in FY24, reflecting a 2% growth. This increase is driven by both government and private sector investments in productive assets, infrastructure development, and capital projects, supported by initiatives like 'Make in India', 'Scheme for Special Assistance to States for Capital Expenditure', and 'Scheme for Special Assistance to States for Capital Investment', etc.

## 1.6 As of CY23, 15-64 years age group has the highest share of 68% which is expected to grow to 69% by CY30

In CY20, 15-64 years age group comprised of the highest percentage of population at 67%. As of CY23, 15-64 years age group percentage share has risen to 68% and is further expected to grow to 69% by CY30. The 0-14 years age group share of the population is on a declining trend with 26% in CY20 and 25% in CY23, and is expected to be 22% in CY30. The size of India's workforce is a major competitive advantage as the country tries to become a global design and manufacturing hub. The establishment of the Ministry of Skill Development and Entrepreneurship, which provides funding and skill development opportunities to individuals and enterprises, by the government to boost job creation and economic growth, is also one step in the positive direction.

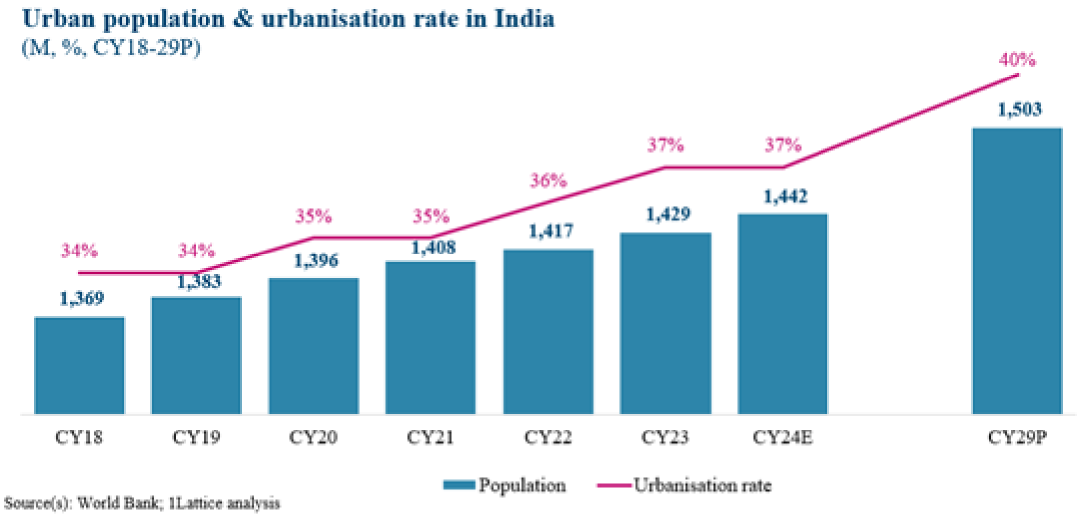
**India's total population mix**
(B, CY20-30P)




Sources: Economic and Social Commissions for Asia and Pacific, 1Lattice analysis

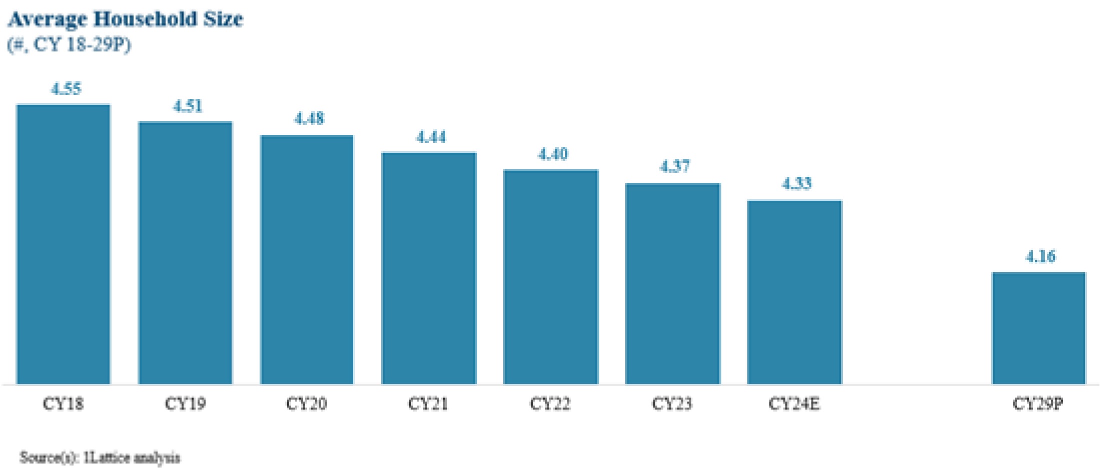
**1.7 Share of urban population in India as a percentage of the overall population is expected to rise from 37% in CY23 to 40% in CY29**

The share of urban population in India as a percentage of the overall population is expected to rise from 37% in CY23 to 40% in CY29, and India is expected to add over 400M people in urban areas by CY50. This urban shift is fuelling demand for residential properties, gated communities, and integrated townships, catering to the desire for upgraded lifestyles and modern amenities. Additionally, there's a growing focus on sustainability, leading to the development of eco-friendly and energy-efficient buildings. The rise of smart cities, coupled with digitalization and changes in real estate preferences, is reshaping the market landscape.




**1.8 Average household size in India as of CY23 stands at 4.37 people which is expected to decrease to 4.16 by CY29**

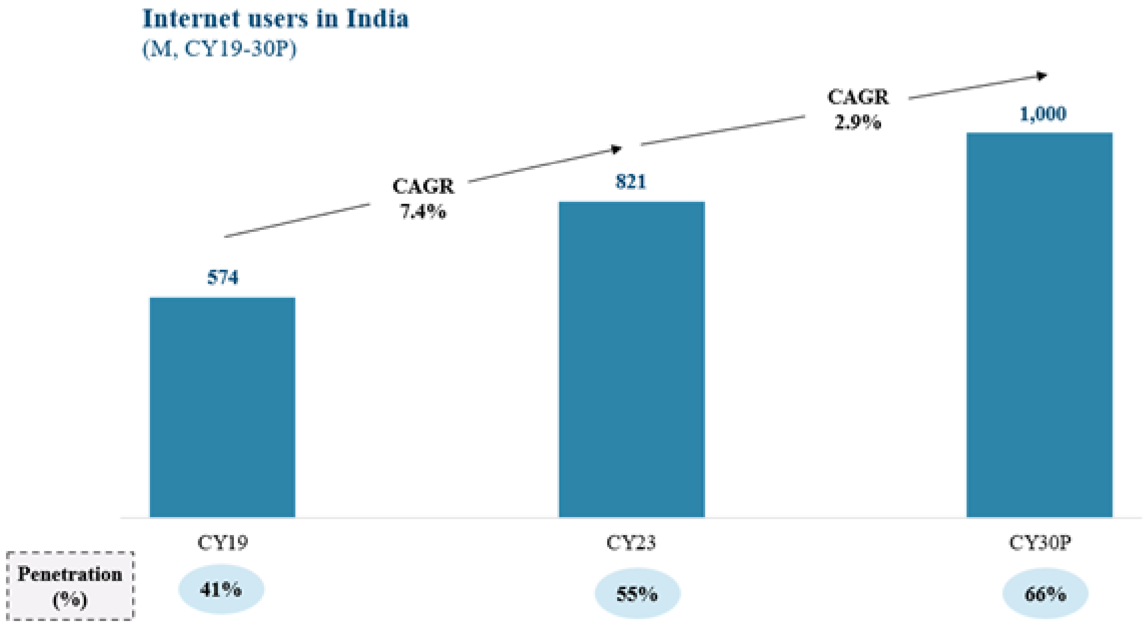
The average household size in India as of CY18 stood at 4.55 people and is expected to decrease to 4.16 people by CY29. In recent decades, India has seen a decline in household size, driven by the rise of nuclear families, spurring demand in real estate for smaller, independent living spaces.




**1.9 Internet penetration in India has increased from 574M users (41%) in CY19 to 821M users (55%) in CY23, which is expected to cross 1,000M users (66%) in CY30**

Internet penetration in India has increased from 574M users (41%) in CY19 to 821M users (55%) in CY23, and is expected to cross 1,000M users (66%) in CY30. The rapid increase in internet penetration in India can be attributed to two main factors:

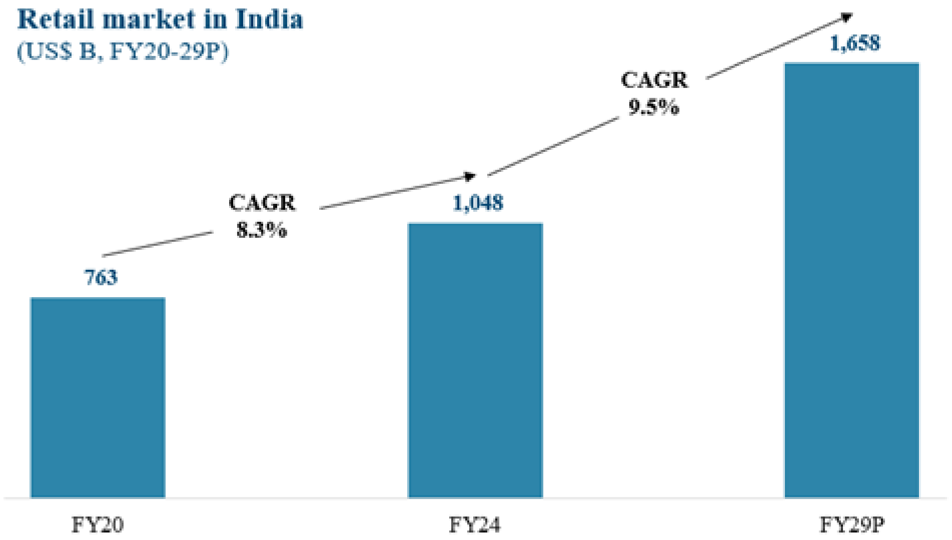
- The widespread adoption of affordable smartphones and mobile data plans, making internet access more accessible to the masses
- Government initiatives like Digital India, which have focused on improving digital infrastructure and promoting digital literacy across the country




Source(s): Internet and Mobile Association of India, 1Lattice analysis

**1.10 The Indian consumer retail market is projected to grow at a CAGR of 9.5% from US$ 1,048B in FY24 to US$ 1,658 in FY29**

Indian consumer retail market is projected to grow at a CAGR of 9.5% from US$ 1,048B in FY24 to US$ 1,658B in FY29, driven by rising disposable income, rapid urbanization and technological advancement with widespread adoption of smartphone and internet connectivity.




Source(s): 1Lattice analysis

Food and grocery category dominates the share of retail market in FY24 with 65%, followed by appliances and consumer durables (9%), and apparel and footwear (8%).

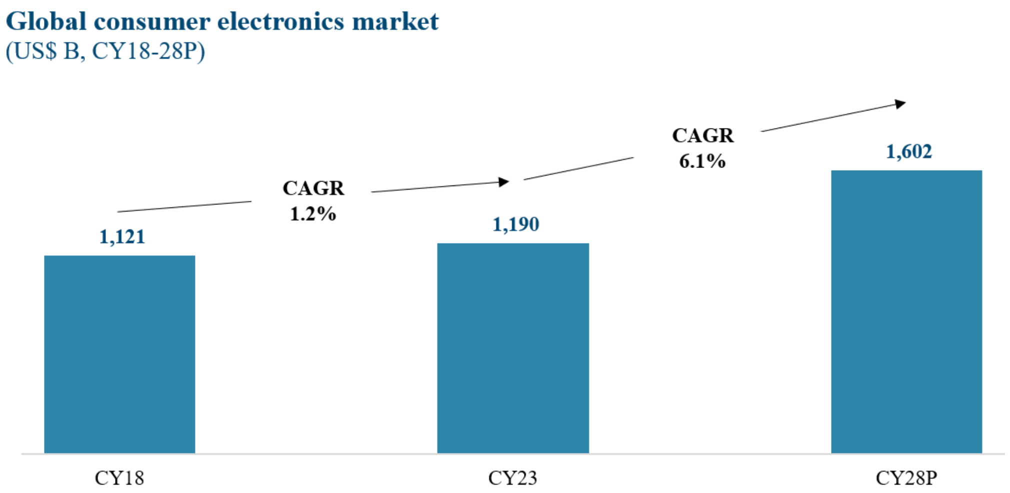
**1.11 Government initiatives, increasing domestic demand, rise in FDI and skilled workforce are driving the growth of the manufacturing sector in India**

As India strives to become a US$ 35T economy, the role of the manufacturing sector is pivotal in driving the nation forward. Manufacturing can be further segmented into end-to-end manufacturing and value-added manufacturing. Value-added manufacturing involves enhancing a product's worth through additional processing or features. End-to-end manufacturing encompasses the entire production process, from raw materials to finished product, typically handled by a single company or closely integrated supply chain. With skilled labour cost being lower in India, the trend of shifting the manufacturing base to India from other countries is on the rise, which is being supported by government initiatives like 'Make in India' and ease of inflow of FDI. Apart from this, businesses adopting China + 1 strategy to reduce risk and mitigate the effects of over-reliance on China has further boosted India's manufacturing sector as India stands out as a viable alternative.


## 1.12 Major investment focus areas of the government are growing e-commerce, digital payments & fintech, fostering startup environment & promoting Digital India initiative

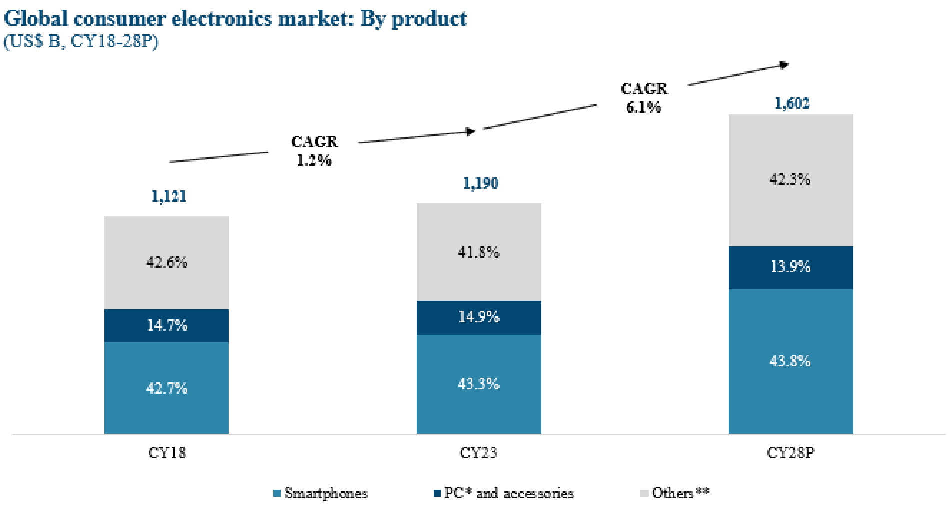

## 2.1 Global consumer electronics market

The global consumer electronics market grew from US$ 1,121B in CY18 to US$ 1,190B in CY23, growing at a CAGR of 1.2% from CY18-23. The muted growth during this period in the consumer electronics market between CY22-23 was primarily driven by the chip shortage in electronics market, global supply chain disruptions, economic uncertainty, reduction in purchases post-pandemic due to the surge of electronic purchases during the pandemic. The market is a dynamic and rapidly evolving industry that encompasses a wide range of products such as smartphones, desktops, laptops, televisions, wearable devices, smart home appliances and other accessories. The global consumer electronics market is estimated to grow from US$ 1,190B in CY23 to US$ 1,602B in CY28, at a CAGR of 6.1%. Upcoming growth will be fuelled by advancements in AI, IoT, and machine learning, which require more efficient devices. Growth in smart and connected devices and product innovation are also expected to drive the consumer electronics market.




Source(s): 1Lattice analysis

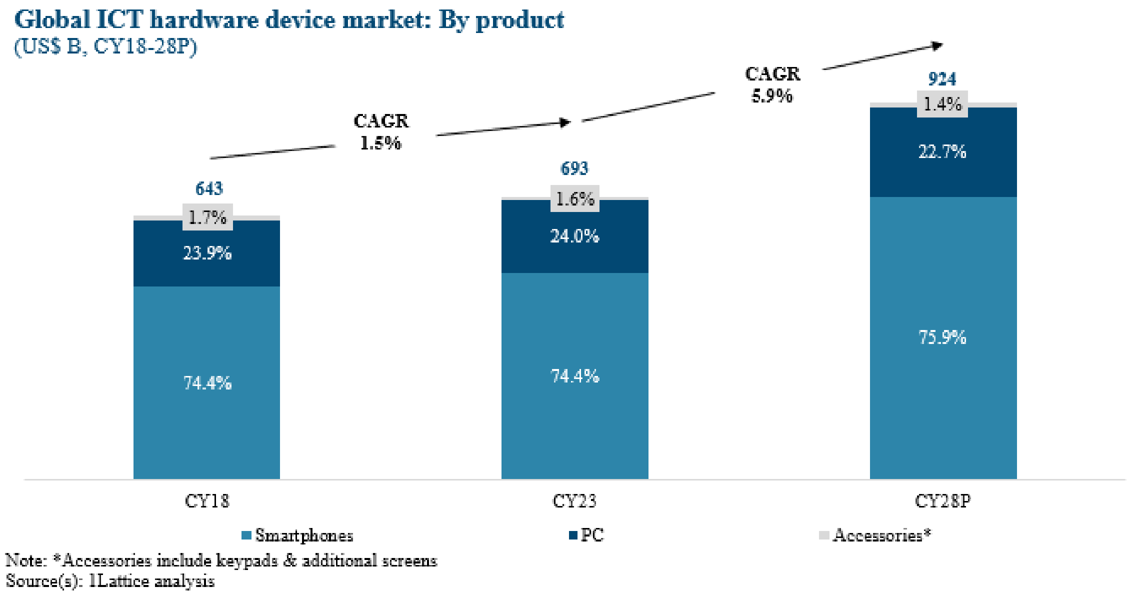
The global consumer electronics market is segmented, reflecting diverse regional preferences and economic factors. In CY23, smartphones dominated as the largest segment, generating US$ 515B (43.3%) in revenue. Personal Computers (PC) & accessories followed with US$ 177B (14.9%), while televisions ranked third, contributing US$ 118B (9.9%) in revenue.




Notes(s): *Personal Computers (PC) include laptops & desktops
**Others include TV, refrigerator, microwave, food preparation appliances, heating appliances
Source(s): 1Lattice analysis

### 2.1.1 Global Information and Communications Technology (ICT) hardware device market

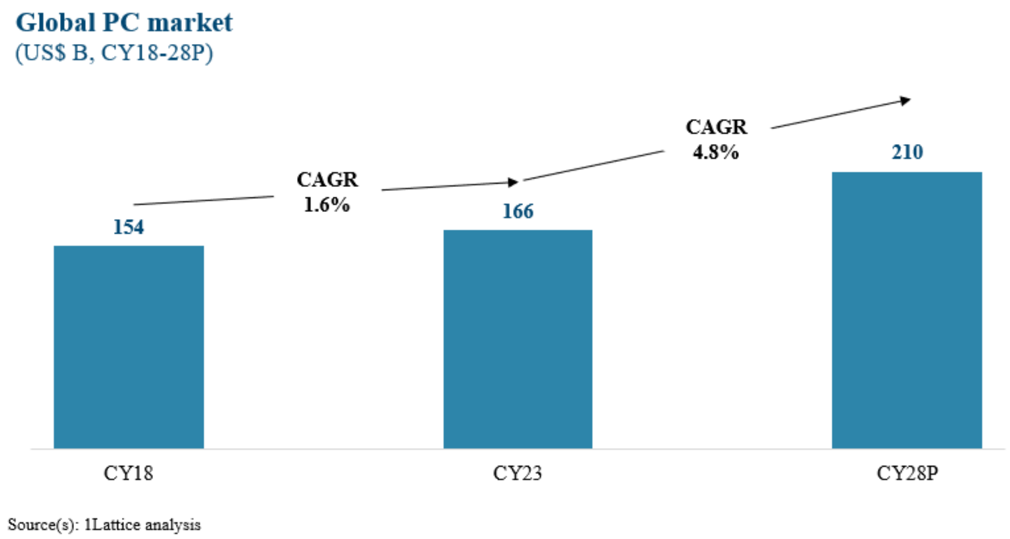
Information and Communications Technology (ICTs) encompass a wider range of tools than Information Technology (IT), including various communication technologies such as the mobile phones, computers and supporting accessories. These technologies enable users to access, retrieve, store, transmit, and manipulate information in digital formats. The global ICT hardware device market was valued at US$ 693B in CY23 and is projected to reach US$ 924B by CY28, growing at a CAGR of 5.9%.




The ICT hardware device market experienced slow growth from CY18 to CY23, with a CAGR of 1.5%, significantly influenced by supply chain disruptions and economic uncertainty due to geopolitical conflicts. Persistent supply chain issues, a residual effect of the COVID-19 pandemic, hindered production and availability, making it challenging for manufacturers to meet consumer demand. Geopolitical events such as the Russia-Ukraine war and the Israel-Palestine conflict further created economic uncertainty, leading to reduced consumer confidence and hesitancy in making significant purchases. Together, these factors contributed to low growth in the market during this period. However, the market is projected to accelerate at a 5.9% CAGR from CY23 to CY28, driven by increased digitalization, adoption of advanced technologies, and demand for cloud-based and communication services.

### 2.1.2 Global PC market

The global personal computer (PC) market, encompassing laptops and desktops, has undergone significant transformations in recent years, influenced by technological advancements, shifting consumer preferences, and global events. The COVID-19 pandemic initially triggered a surge in demand as remote work and online education became prevalent which led to growth during CY20, CY21 and CY22 but witnessed drop in CY23 due to back to office and economy headwinds in CY23 due to geo-political tensions

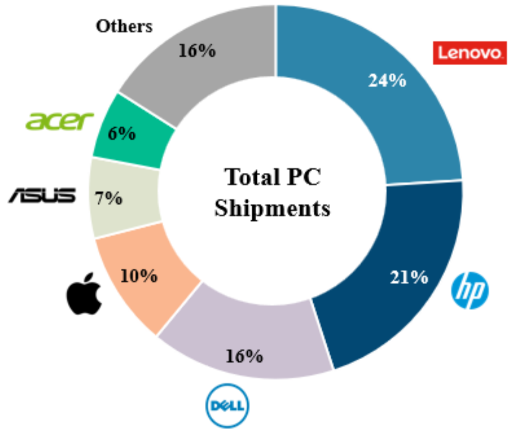



Global PC market was valued at US$ 166B in CY23, up from US$ 154B in CY18. The market is steadily growing, driven by higher disposable incomes, improved internet accessibility, increasing use cases, and a rising preference among consumers for advanced laptops that offer superior performance and modern design. The global PC market is expected to reach US$ 210B in CY28, growing with a CAGR of 4.8% from CY23 to CY28.

### 2.1.3 Market share of key brands in the Global PC market

The global PC market is characterized by intense competition among leading brands, each striving to capture consumer demand through innovation and strategic positioning. The market is dominated by several key brands, with Lenovo leading the pack, accounting for approximately 24% of the market share. HP follows closely behind with 21% share, while Dell holds approximately 16% as of CY23. Apple (10%) and ASUS (7%) also maintain significant positions. These brands continue to compete fiercely through innovation, product diversification, and strategic pricing to capture consumer interest in an increasingly digital world.

**Market share of key brands in Global PC market**
(%, CY23)

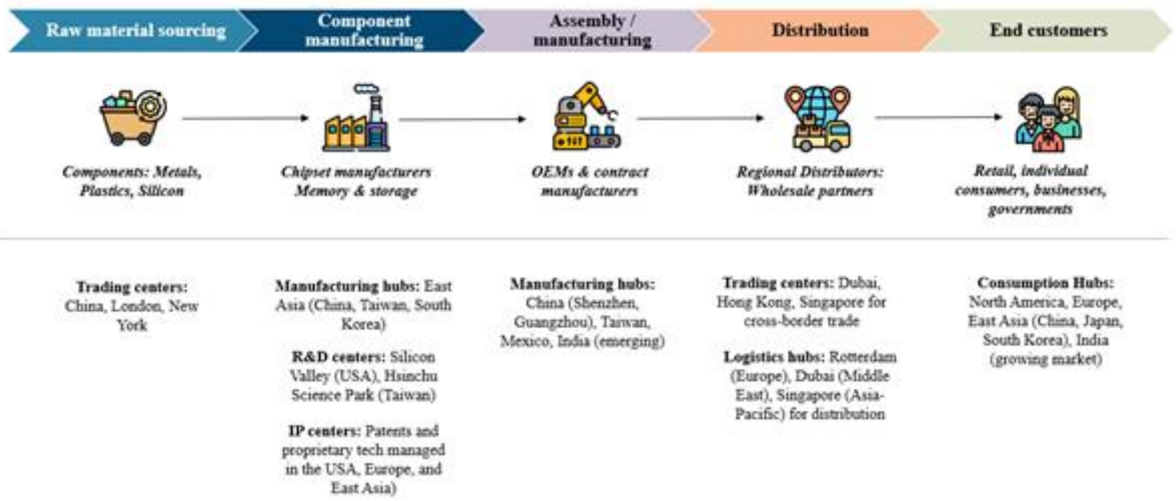



Source(s): Gartner, 1Lattice analysis

### 2.1.4 Global supply chain

The supply chain of the global PC market is a complex network that spans multiple industries and regions, from raw material sourcing to the end customer. Key elements include manufacturing hubs in East Asia, where most components and devices are produced, R&D and IP centres in places like Silicon Valley and Taiwan, and major consumption hubs in North America, Europe, and growing markets like India. Trading centres and logistics hubs facilitate the smooth flow of goods across borders, while retailers and distributors play a crucial role in delivering products to consumers and businesses worldwide. This intricate system is supported by cutting-edge innovation, global trade, and efficient distribution networks, making the PC industry one of the most dynamic sectors in the world.

The global PC market thrives on the diverse competitive advantages of various countries, each playing a pivotal role in manufacturing, research, consumption, and trade. Here's a breakdown of the key contributions and strengths of major geographies in the global supply chain.




**China:** Largest global hub for cost-effective PC manufacturing, with integrated supply chains for components like semiconductors and displays.

**Taiwan:** Leader in semiconductor manufacturing and high-tech components, driven by firms like TSMC and Foxconn.

**South Korea:** Dominates memory chip and display technology production, led by Samsung and SK Hynix.

**United States:** Major consumption hub for premium PCs and a global leader in R&D and intellectual property for hardware and software.

**Europe:** Significant consumer market with an increasing focus on sustainability and strong protection for intellectual property, especially in software and telecoms.

**India:** Rapidly growing consumer market driven by digitalization and demand for affordable PCs. An emerging manufacturing hub, India is rapidly expanding its role in the global electronics sector under initiatives like "Make in India" and the Production Linked Incentive (PLI) scheme.

**Southeast Asia:** Rising demand for budget PCs and gaming hardware, fuelled by increasing internet penetration and a growing middle class.

**Dubai:** Dubai excels as electronics trading hub due to its strategic location between Asia, Africa, and MENA, supported by world-class ports and free trade zones, particularly Jebel Ali Free Zone, offering 0% tax and 100% foreign ownership. Its robust infrastructure and banking systems enable efficient distribution, making it an ideal re-export center connecting Asian manufacturers to emerging African and Middle Eastern markets.

**Hong Kong:** Key global trading hub for PC components and products, leveraging proximity to Chinese manufacturing centres.

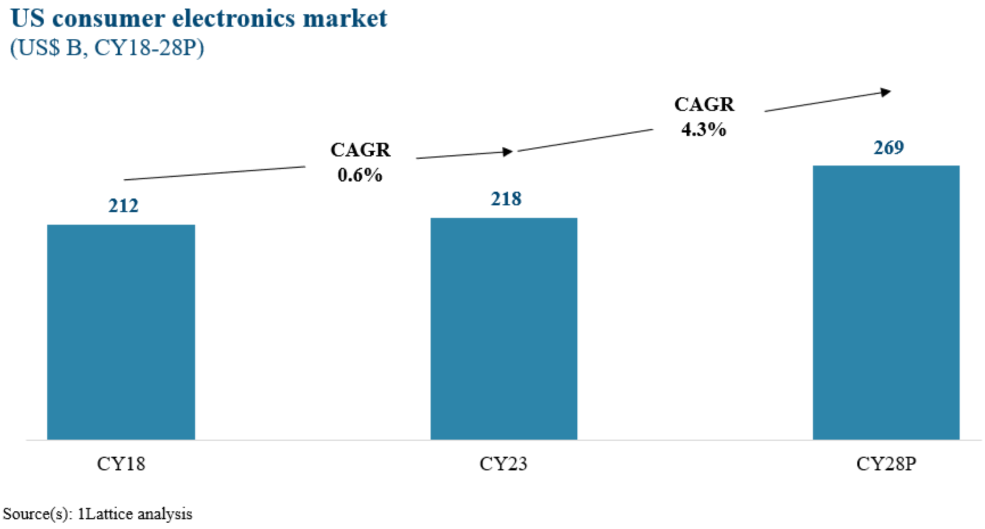
**Singapore:** Strategic trading centre with advanced logistics, connecting Asian manufacturing hubs with global markets.

### 2.1.5 Key growth drivers for PC market

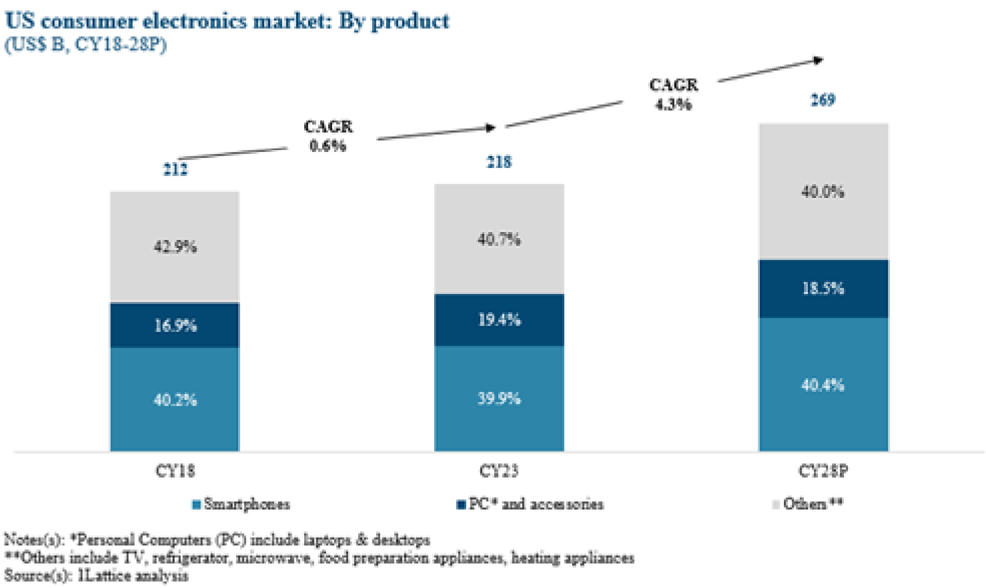
The global PC market is continually evolving, driven by a complex interplay of technological, economic, and social factors. These key growth drivers shape the industry's trajectory, influencing everything from product development to market expansion strategies.


## 2.2 US consumer electronics market

The United States consumer electronics market stands as one of the largest and most dynamic globally, encompassing a diverse range of products from smartphones and laptops to smart home devices and wearables. As of CY23, the US consumer electronics market was valued at US$ 218B, and expected to grow at a CAGR of 4.3% from CY23-28. This growth is primarily driven by rapid technological advancements, increasing disposable income among consumers, and a growing demand for smart, interconnected devices.

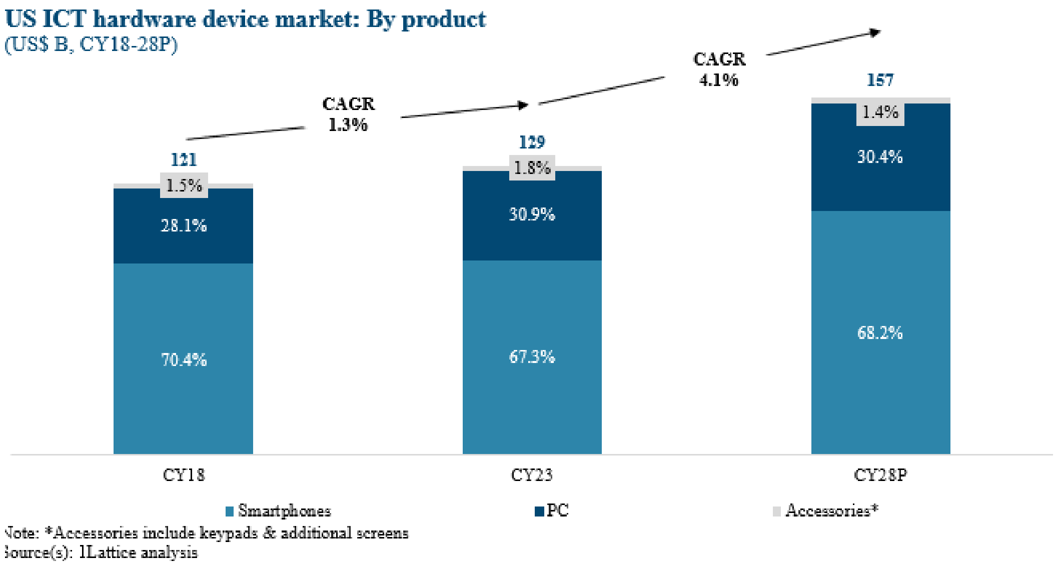



The US consumer electronics market is characterized by its diverse product segments, these segments include smartphones, tablets, computers, televisions, and dishwashers among others, each experiencing unique growth patterns and market dynamics. Of the total consumer electronics market in the US, the largest segment is smartphones with a total revenue of US$ 87B in CY23.




### 2.2.1 US ICT hardware device market

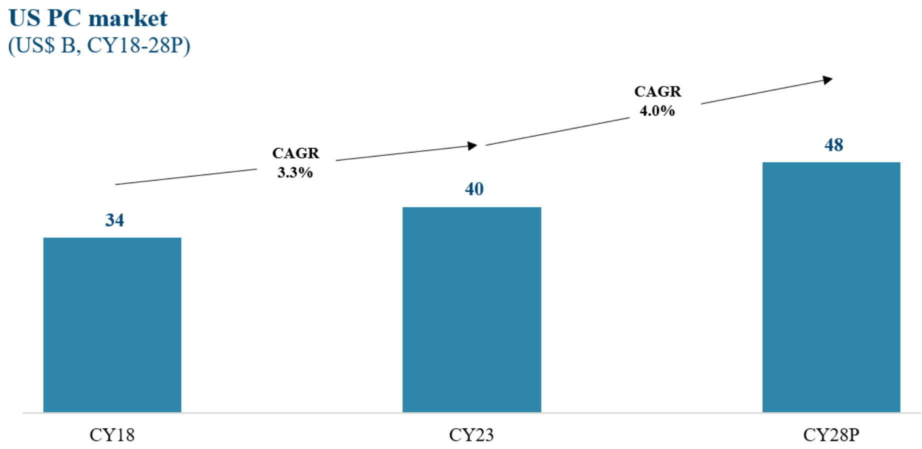
The US ICT hardware device market within the consumer electronics sector is experiencing a dynamic shift as advancements in smart technologies and connectivity reshape consumer behaviour. The US ICT hardware device market was valued at US$ 129B in CY23 and is projected to reach US$ 157B by CY29, reflecting a compound annual growth rate (CAGR) of 4.1% during the forecast period. This market is characterized by rapid evolution and significant growth attributed to the rising adoption of smart devices, such as smartphones and laptops. Enhanced wireless technologies like 5G are facilitating faster and more reliable connections, enabling consumers to utilize these devices more effectively. The shift towards remote work and digital entertainment has also spurred demand for high-quality communication tools and video conferencing solutions.




Additionally, as consumers increasingly seek integrated ecosystems that allow seamless interaction between devices, manufacturers are investing in ICT solutions that enhance user experience and interoperability. The ongoing digital transformation across industries is further propelling demand for ICT products, fostering innovation and enhancing productivity. As businesses and consumers increasingly rely on digital services, the US ICT hardware device market is poised for continued expansion, presenting new opportunities for stakeholders and investors alike.

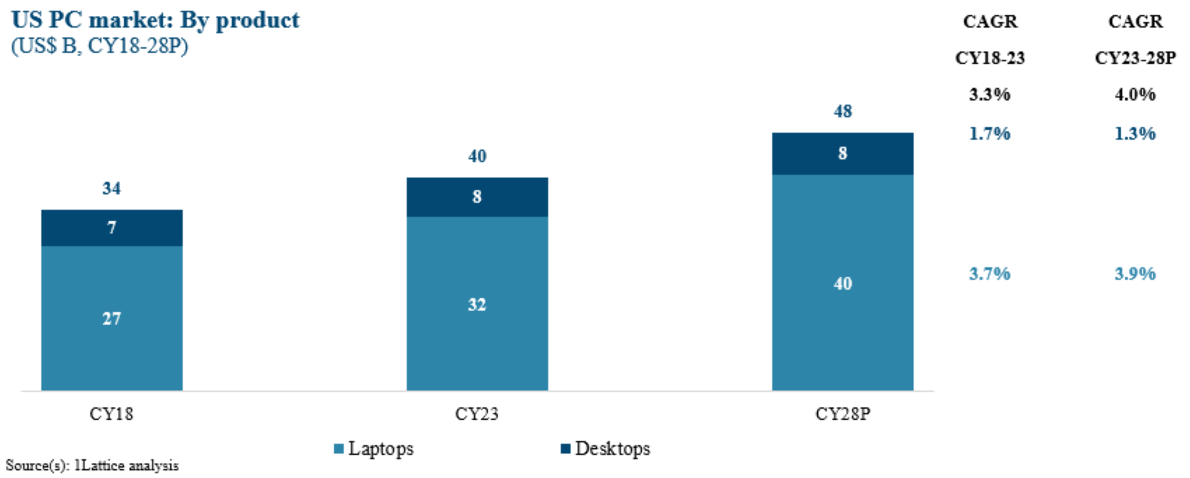
### 2.2.2 US PC market

The US PC market remains a significant segment within the broader consumer electronics industry, characterized by its maturity, ongoing innovation, and resilience in the face of mobile device competition. Encompassing desktops and laptops for both consumer and business use, the US PC market has shown remarkable adaptability over the years. Despite predictions of decline due to the rise of smartphones and tablets, the market has maintained its relevance through technological advancements, shifting work patterns, and the increasing importance of computing power in everyday life. As of CY23, the US PC market was valued at approximately US$ 40B and is expected to grow at a CAGR of about 4.0% from CY23-28. The stagnation in CY18-23 is attributed to market saturation following an initial spike in demand during COVID-19, ongoing supply chain challenges, and the semiconductor shortage, which has further driven the usage of refurbished electronics.




Source(s): 1Lattice analysis

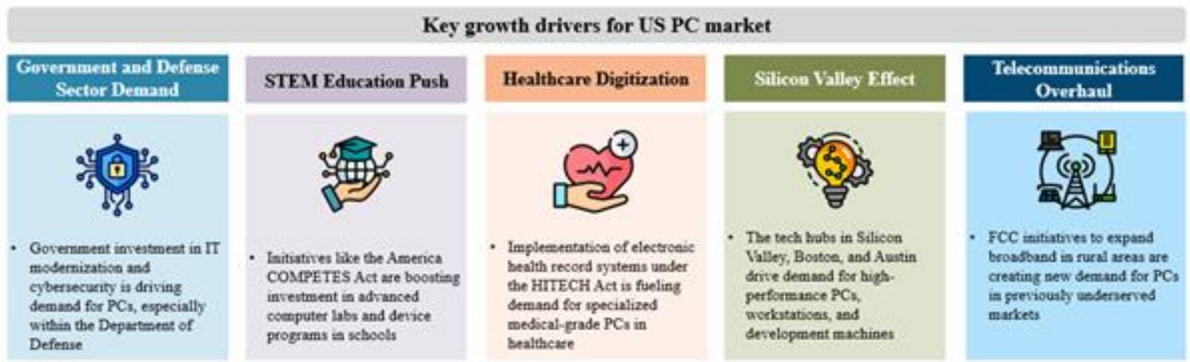
In the US PC market in CY23, laptops account for US$ 32B, while desktops contribute US$ 8B. By CY28, the share of laptops is expected to grow even further, driven by the growing preference for portability, flexibility in remote and hybrid work environments, and advancements in battery life and processing power, which have made laptops more versatile and capable of meeting both personal and professional needs. In the US PC market, consumer make ~40% of the market and commercial segments contributes ~60% of the market, driven by the rise of remote work, increasing digital integration in everyday life, and modernization efforts within businesses and the ongoing shift to digital learning.




Source(s): 1Lattice analysis

## 2.2.3 Key growth drivers in US market

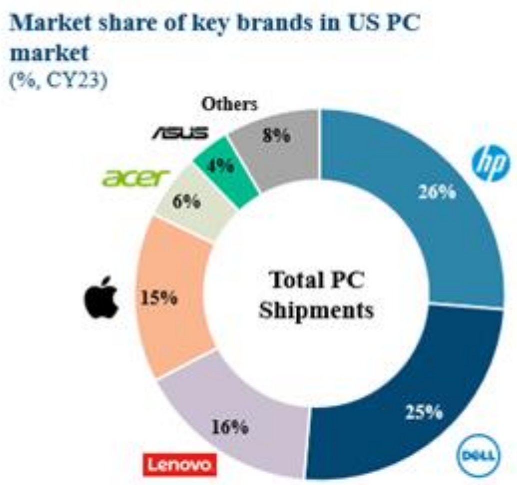
The United States PC market, while influenced by global trends, is shaped by a unique set of factors deeply rooted in the country's economic, technological, and policy landscape. These drivers reflect the distinctive characteristics of the US market, including its strong government and defence sectors and emphasis on technological education.




Source(s): 1Lattice analysis

## 2.2.4 Market share of key brands in US PC market

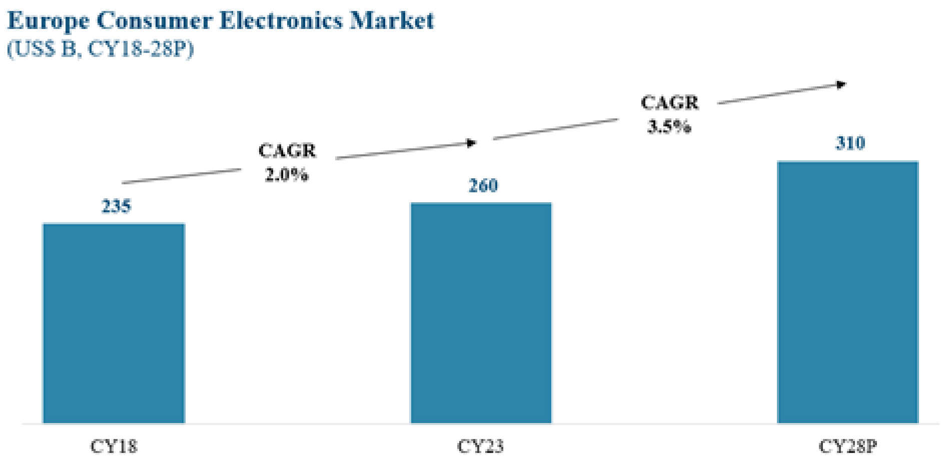
The PC market in the US is characterized by intense competition among a handful of major brands, each vying for a larger slice of the consumer and business segments. As of CY23, the market is primarily dominated by five key players: HP, Dell, Lenovo, Apple, and Acer. In CY23, HP emerged as the leading brand in total PC shipments across the U.S., capturing 26% of the market. Dell followed closely with a 25% market share.




Source(s): Gartner, 1Lattice analysis

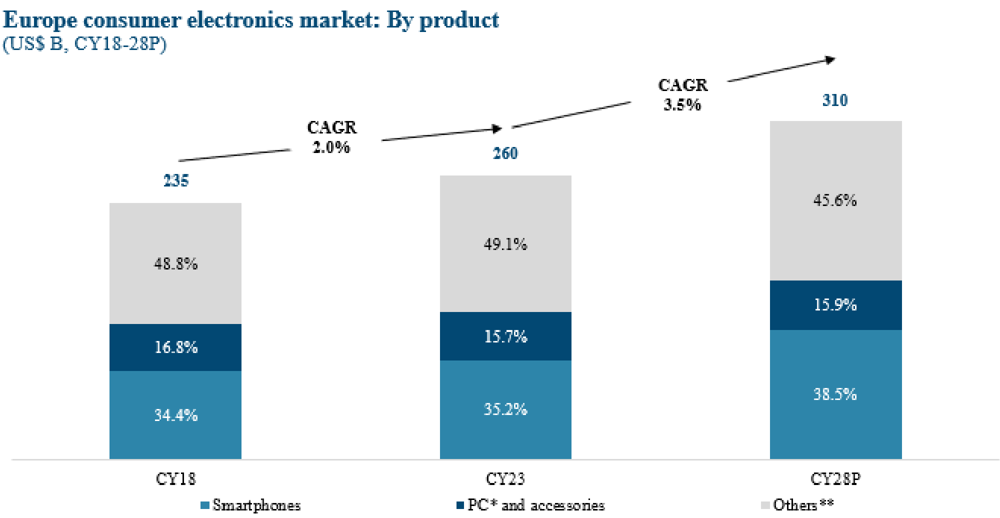
### 2.3 European consumer electronics market

The European consumer electronics market presents a unique landscape characterized by diverse consumer preferences across its many countries and a strong emphasis on sustainability and technological innovation. The market is influenced by strict EU regulations on energy efficiency, electronic waste management, and data protection, which have spurred the development of more environmentally conscious and privacy-oriented products. European consumers tend to prioritize quality, design, and longevity in their electronics purchases, leading to a market that balances premium offerings with practical, long-lasting solutions.




Source(s): 1Lattice analysis

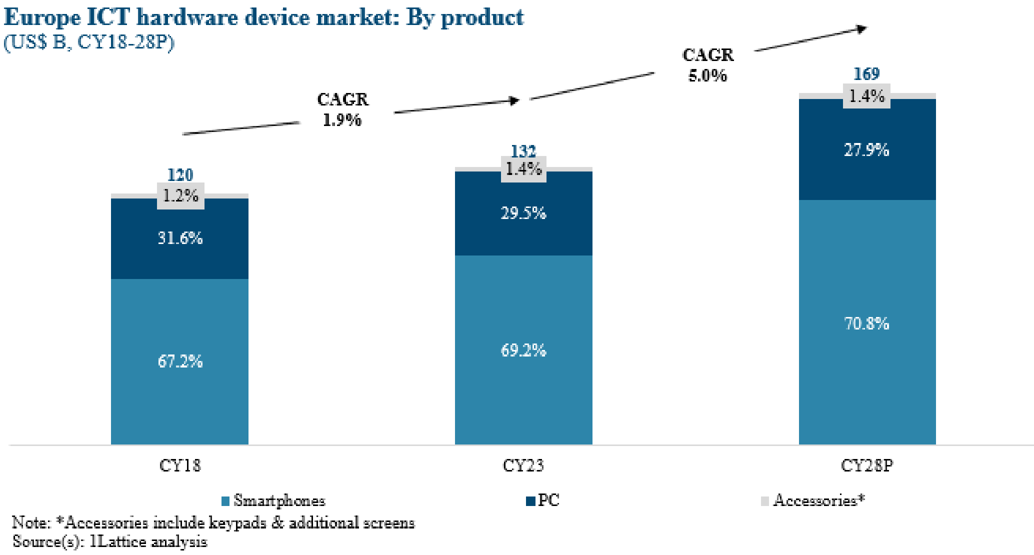
The European consumer electronics market demonstrated robust performance in CY23, reaching a valuation of US$ 260B. Projections show a steady growth trajectory with a CAGR of 3.5% from CY23 to CY28. The European consumer electronics market is similarly segmented, but with distinct characteristics reflecting regional preferences and economic conditions. Like the US, the largest segment in Europe is smartphones, generating a revenue of US$ 92B (35.2%) in CY23. Computers & TV have the second and third largest segment with revenue of US$ 41B (15.7%) and US$ 35B (13.4%) respectively in CY23.




Notes(s): *Personal Computers (PC) include laptops & desktops
**Others include TV, refrigerator, microwave, food preparation appliances, heating appliances
Source(s): 1Lattice analysis

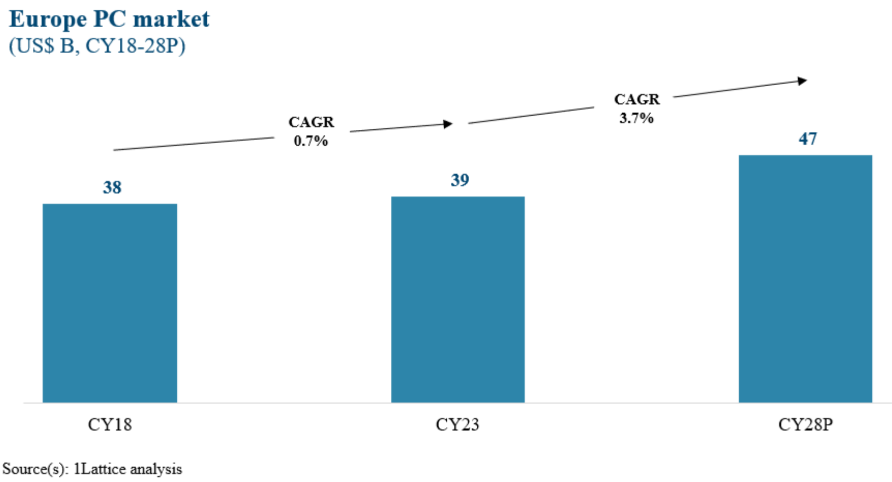
#### 2.3.1 European ICT hardware device market

In CY23, the European ICT hardware device market was valued at approximately US$ 132B, with a projected compound annual growth rate (CAGR) of 5.0% through CY28. Key drivers include the expansion of 5G networks, the rising importance of cybersecurity, and the integration of Internet of Things (IoT) technologies, which are transforming industries and enhancing user experiences. Additionally, initiatives such as the EU's Digital Compass 2030 aim to enhance digital skills and connectivity across member states, further bolstering market expansion.



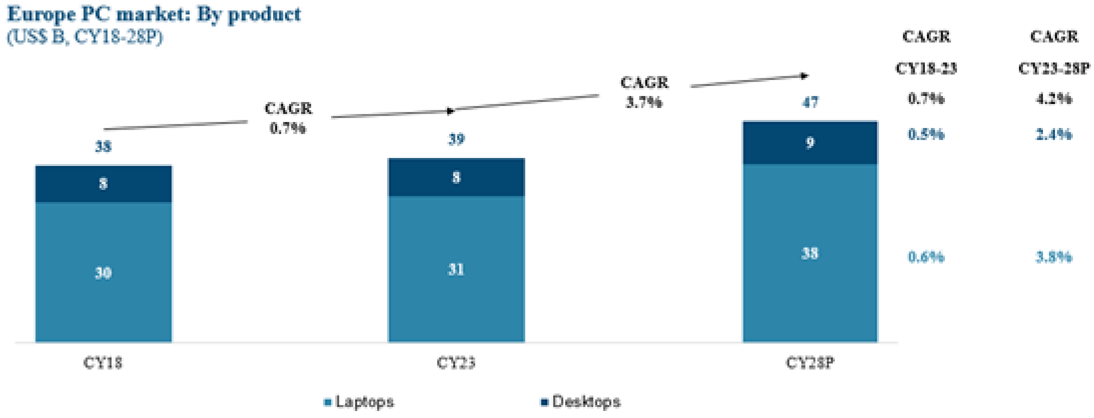

## 2.3.2 European PC Market

The European PC market exhibits unique characteristics that set it apart from its global counterparts. With a strong emphasis on sustainability, the region has seen a growing demand for energy-efficient and eco-friendly computer models. This trend is partly driven by EU regulations on electronic waste and energy consumption, encouraging manufacturers to produce more environmentally responsible products. As of CY23, the Europe PC market was valued at approximately US$ 39B and is expected to grow at a CAGR of about 3.7% from CY23-28.




In contrast to other markets, Europe has witnessed a notable resurgence in desktop PCs. This trend is attributed to the region's robust gaming culture and the increasing need for powerful workstations in industries such as design, engineering, and scientific research.

Another unique aspect of the European PC market is the strong presence of business-oriented computers. Countries such as the UK, Germany, and the Netherlands have large corporate sectors that drive demand for enterprise-grade laptops and desktops, often with enhanced security features to comply with stringent EU data protection regulations. In the European PC market for CY23, laptops attributed to US$ 31B, while desktops accounted for US$ 8B. By CY28, the laptop segment is predicted to expand its market share significantly, reflecting a shift in consumer and business preferences. The revenue from laptop sales is expected to rise to US$ 38B by CY28, while desktop sales are projected to reach US$ 9B during the same period. The European PC market is primarily driven by the commercial segment, which accounts for about 60-65% of sales, this dominance stems from robust demand as businesses continue to adapt to hybrid work and implement regular device upgrades.




Source(s): 1Lattice analysis

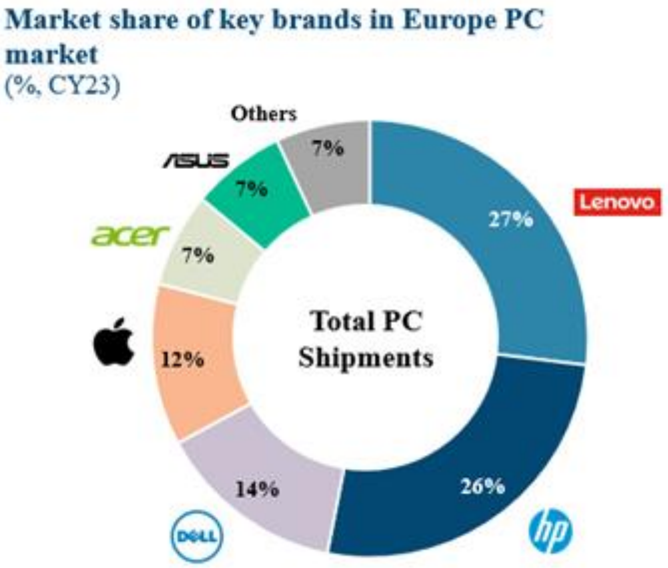
### 2.3.3 Key growth drivers for Europe PC market

The European PC market is shaped by a unique set of factors deeply rooted in the continent's diverse cultural, economic, and regulatory landscape. These drivers reflect the distinctive characteristics of the European market, including its strong focus on sustainability, data privacy, and cross-border cooperation.

| Key growth drivers for Europe PC market | |
|---|---|
| **Digital skills initiatives** | • EU's Digital Education Action Plan boosts PC demand for education and personal learning |
| **Remote work legislation** | • Laws in Portugal, Spain, and Italy accelerate home office setups, increasing PC sales |
| **Industry 4.0 Initiatives** | • Manufacturing modernization in Germany and France boosts demand for high-performance workstations |
| **Gaming café culture** | • The resurgence of gaming cafes in Eastern European countries is creating a niche market for high-end gaming PCs |
| **EU Green Deal Implementation** | • The ambitious climate plan is driving demand for energy-efficient and easily recyclable PCs, particularly in countries like Germany and the Nordic nations |

### 2.3.4 Market share of key brands in Europe PC market

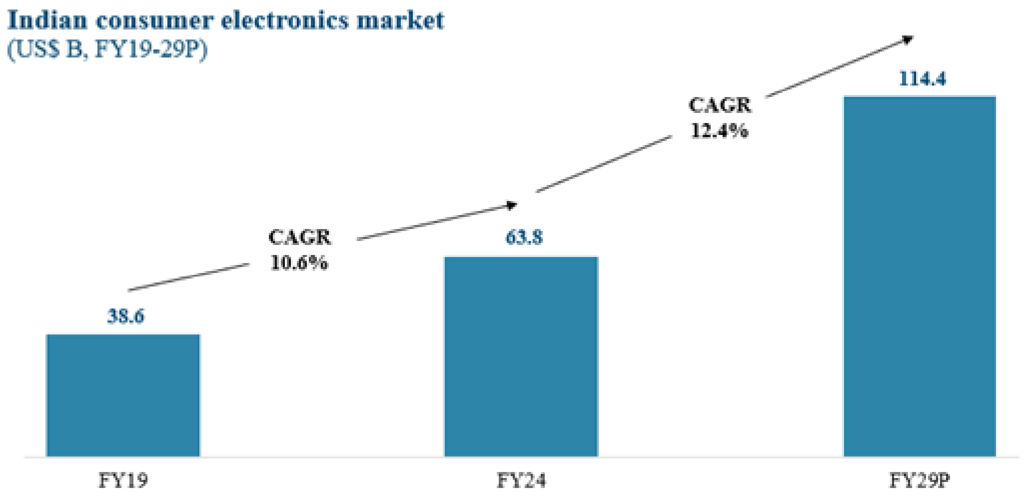
In CY23, six key players dominated the landscape: HP, Dell, Lenovo, Apple, Asus and Acer. Lenovo led the market in total PC shipments in the Europe, securing a 27% market share, followed by HP with a 26% share.




Source(s): Gartner, 1Lattice analysis

### 2.4 India consumer electronics market size and growth

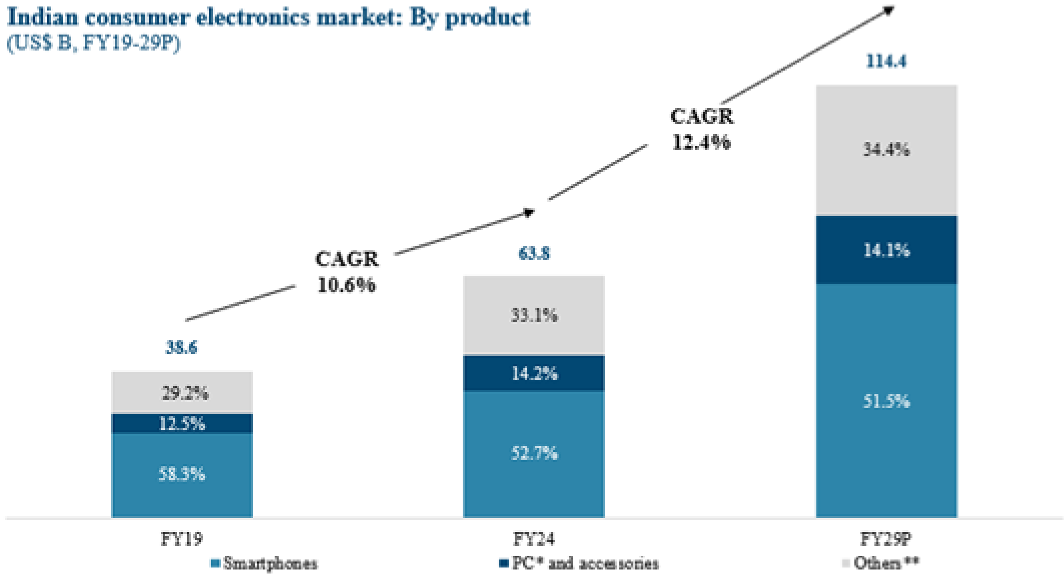
The Indian consumer electronics market has experienced rapid growth in recent years, driven by rising disposable incomes, urbanization, and increasing digital connectivity. The industry has seen a surge in innovation, affordability, and localized product offerings tailored to Indian consumers' preferences. With a large and young population embracing technology, the market continues to present significant opportunities for manufacturers and retailers alike. The Indian consumer electronics market was valued at US$ 63.8B in FY24 and is expected to rise at a CAGR of 12.4% from FY24-29 to reach US$ 114.4B. India's consumer electronics market is driven by a growing middle class, rising incomes, and a large youth population. Government initiatives like Digital India and Make in India, along with rapid urbanization, boost tech adoption and local manufacturing. The e-commerce boom and improved internet access have also made electronics more accessible, accelerating market growth.




Source(s): 1Lattice analysis

#### 2.4.1 India consumer electronics market – by product segments

This sector encompasses a wide range of products, including smartphones, televisions, home appliances, kitchen appliances and personal computing and accessories. As innovation continues to drive product diversification, the sector remains at the forefront of modern lifestyles and digital transformation. Smartphones dominate the Indian consumer electronics market, although their share has been declining in recent years. This reduction has been largely offset by the growth of PCs.




Note(s): *Personal Computers (PC) include laptops & desktops
**Others include refrigerators, TV, laundry, dishwasher, microwave
Source(s): 1Lattice analysis

### 2.4.2 India ICT hardware device market

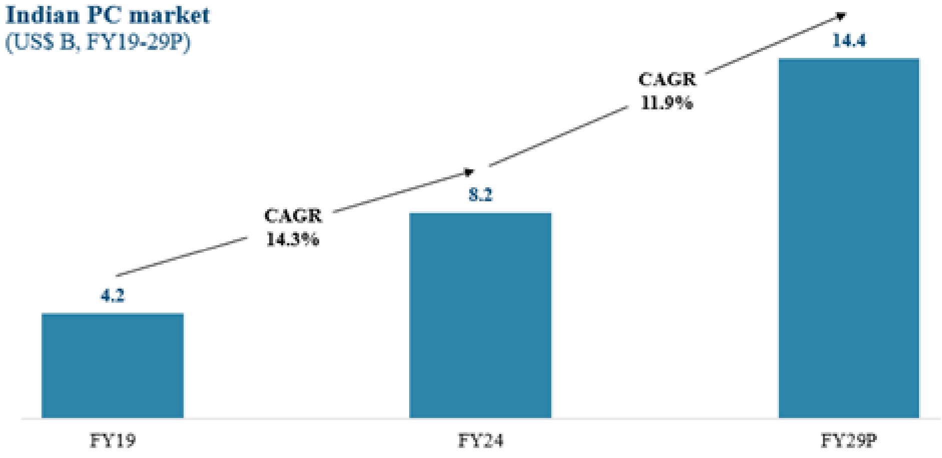
The India ICT market, valued at US$ 43B in FY24, is set to expand at a robust compound annual growth rate (CAGR) of 11.9%, reaching US$ 75B by FY29. This rapid growth is driven by the country's accelerated digital transformation, underpinned by the creation of a dynamic and evolving information technology landscape. Government policies promoting digital adoption across industries are fuelling demand for ICT hardware, software, and services while increasing connectivity and digital capabilities are laying the foundation for a resilient digital infrastructure. Key technological advancements in 5G, IoT, AI, and cloud computing, supported by the government's strategic initiatives, are further propelling the sector's expansion, positioning ICT as a critical engine for India's economic growth and innovation.


Note: *Accessories include keypads & additional screens
Source(s): 1Lattice analysis

### 2.4.3 India PC market is expected to grow at a CAGR of 11.9% from FY24 to FY29

The Indian PC market, encompassing desktops and laptops, has witnessed significant evolution in recent years. Driven by increasing digital literacy, the government's push for a digital economy, and the growing need for computing devices in education and business sectors, the market has shown resilience and potential for growth.

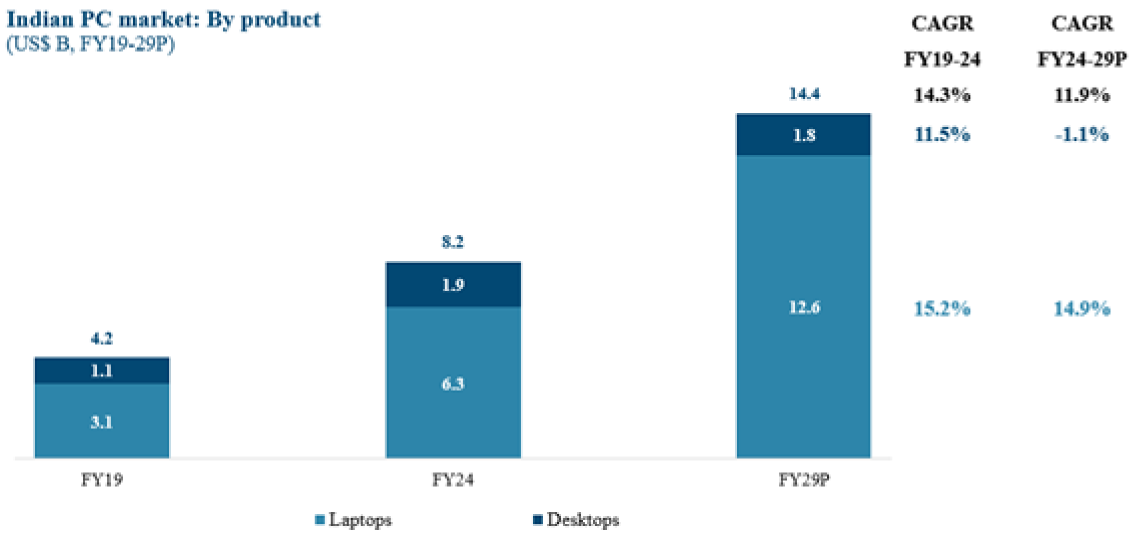
While facing competition from smartphones, the PC segment has found renewed relevance, particularly in the wake of remote work and online learning trends. The Indian PC market reached US$ 8.2B in FY24, further expected to grow with a CAGR of 11.9% from FY24 to FY29.




Source(s): 1Lattice analysis

### 2.4.4 India PC market growth is primarily driven by laptops

The Indian PC market has undergone significant shifts in recent years, with a notable transition from desktop dominance to increasing laptop adoption. While desktops have traditionally held a strong position, especially in business and government sectors, laptops have gained substantial ground due to their portability and improving performance.




Source(s): 1Lattice analysis

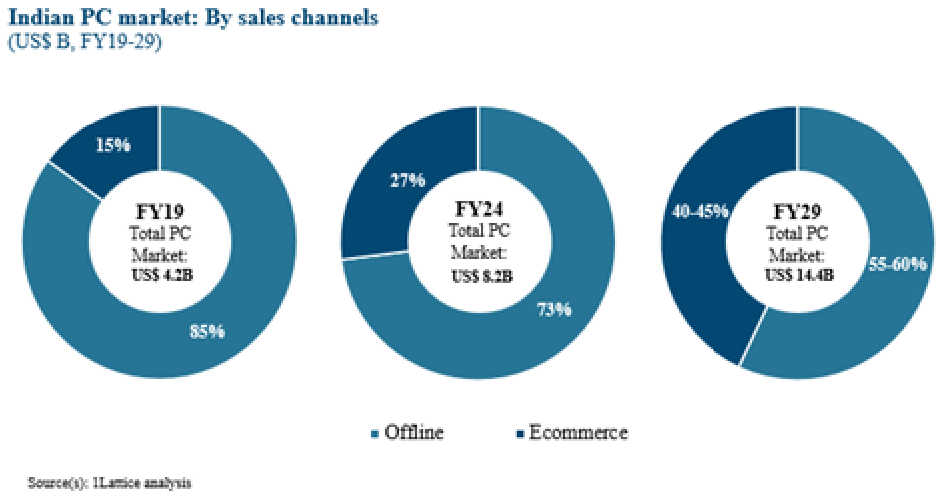
Indian PC market has grown at a CAGR of 14.3% between FY19 and FY24. Laptops are projected to grow at 14.9% over the next five years, reaching US $12.6B by FY29. The Indian PC market exhibits a diverse array of pricing segments, reflecting the country's wide-ranging economic demographics and varied computing needs. From budget-friendly options catering to first-time buyers and students, to high-end machines targeting professionals and enthusiasts, the market stratification mirrors India's complex socio-economic landscape.

The market spans from ultra-affordable devices priced at INR 10,000-20,000 (US$ 120-240), targeting rural areas and government digital inclusion initiatives, to high-end machines exceeding INR 1,00,000 (US$ 1,200) for tech enthusiasts and professionals. Between these extremes lie the entry-level (INR 20,000-35,000), mid-range (INR 35,000-60,000), and premium (INR 60,000-1,00,000) segments, each serving distinct consumer groups from first-time buyers and students to small businesses and power users. Notably, the entry-level and mid-range segments, particularly in the INR 30,000-50,000 (US$ 360-600) bracket, emerge as the most popular in India. This price range strikes a balance between affordability and performance, appealing to the country's expanding middle class and cost-conscious professionals.

Despite the dominance of more affordable options, the premium and high-end segments are witnessing growth, especially in urban areas, signalling the evolving aspirations and increasing purchasing power of certain consumer groups in India's rapidly digitalizing economy.

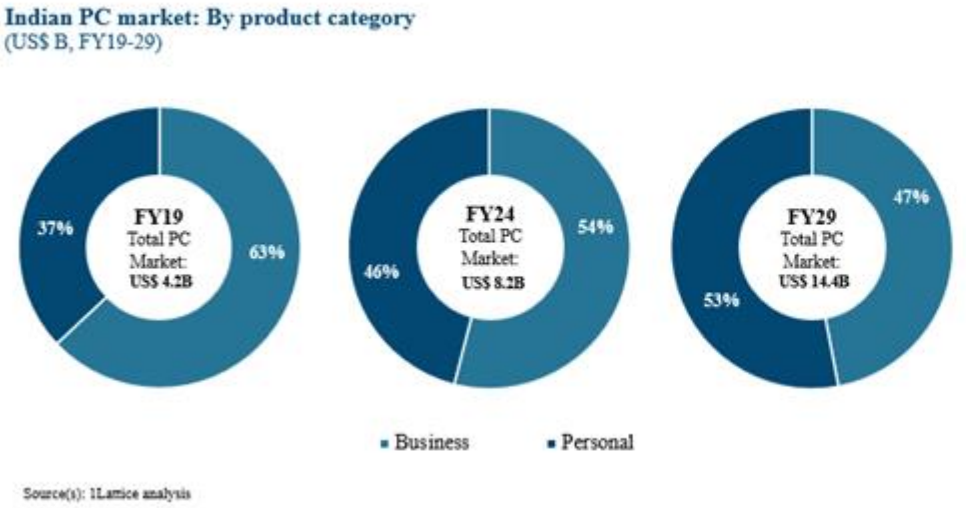
**Retail e-commerce is cutting into offline sales channels in the Indian PC market**

Two dynamic sales channels characterize the distribution landscape of the Indian PC market. Offline retail, which accounted for 85% of all sales in FY19, decreased to 73% by FY24. This decline has been offset by retail e-commerce, which saw a 12% point increase in its share during the same period.




**Indian PC Market personal demand expected to outgrow business demand by FY29**

The Indian PC market's personal demand has grown significantly over the past five years from 37% of the total market to 46% currently. Personal demand is expected to continue increasing, reaching 53% of the overall market by FY29.




**Key growth drivers**

The Indian PC market is experiencing robust growth, driven by a unique combination of government initiatives, technological advancements, and socio-economic factors that are transforming the country's digital landscape.

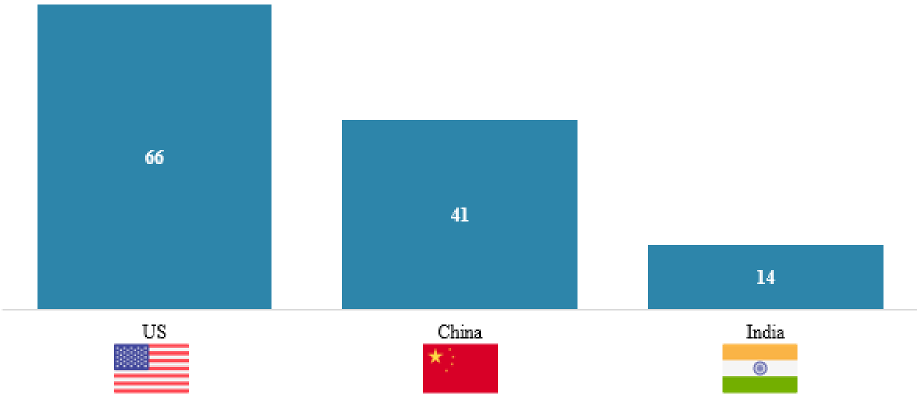
| Key growth drivers for Indian PC market | |
|---|---|
| Digital India Initiative | • Government-led program promoting digital literacy and infrastructure<br>• Increased demand for PCs in rural areas and government offices<br>• Total internet subscribers increased from 251.59M as on FY14 to 954.40M in FY24 |
| Growing IT and ITeS Sector | • Increased PC demand from software development and BPO industries due to WFH and rising employment<br>• IT/ ITes employee count has increased to 5.7M in FY24 from 4.1 in FY19<br>• India is emerging as a global software hub, with Tata Consultancy Services as the largest, followed by Infosys as the second largest Indian IT company in terms of market capitalization of November, CY24 |
| Emerging Gaming and Content Creation Industry | • Growing popularity of e-sports and online gaming which is expected to grow at 14.5% from FY 23 to 28<br>• Rise of YouTube and social media influencers driving demand for high-performance PCs |
| Demand from SMEs and Small Businesses | • Increasing digitalization of SMEs and small businesses in India driving higher PC demand<br>• MSMEs contribute 31% to India's GDP, underscoring their economic importance |
| Make in India Initiative | • India plans to limit laptop, tablet, and PC imports in January 2025 to boost local manufacturing, backed by US$ 2 billion in subsidies. This move could reshape the Indian PC industry<br>• Incentives for local manufacturing of PCs and components create potential for more affordable domestically produced devices |

Source(s): 1Lattice analysis

**14M PC were sold in India compared to 66M in US in CY23**

The global PC market presents a dynamic landscape with significant variations in sales volumes across major regions and countries. The United States, India, and China stand out as key players, each with distinct market characteristics shaped by their economic development, population size, technological infrastructure, and cultural factors. In CY23, approximately 66M PCs were sold in the U.S., while 41M units were sold in China during the same period. In India, PC sales reached 14M units in CY23.

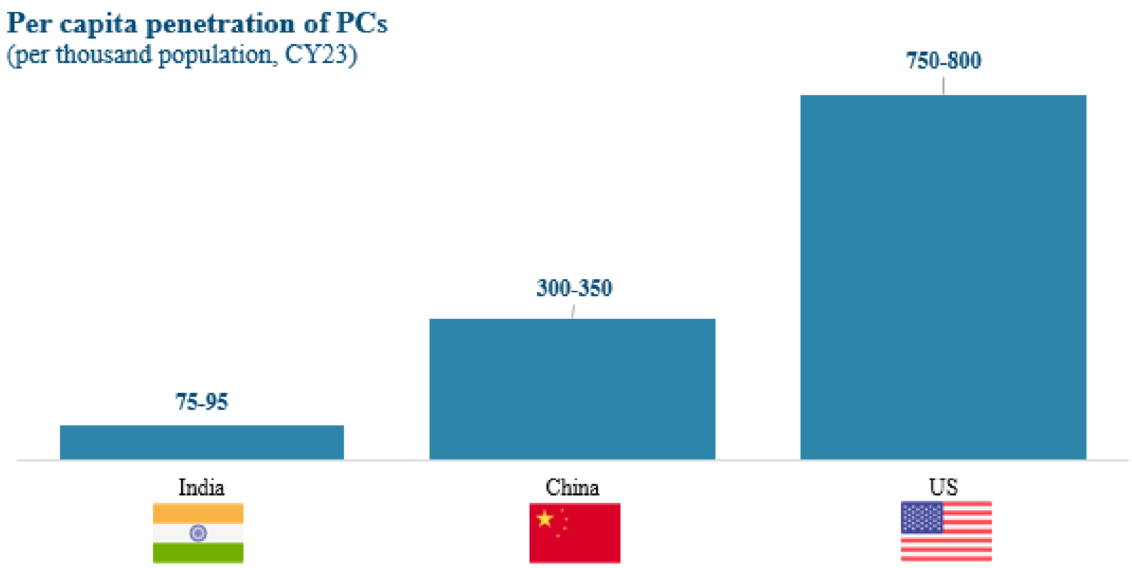
PC volumes sold across regions
(M, CY23)




Source(s): 1Lattice analysis

**India PC penetration is at 75-95 per thousand population, which is very low compared to advanced countries**

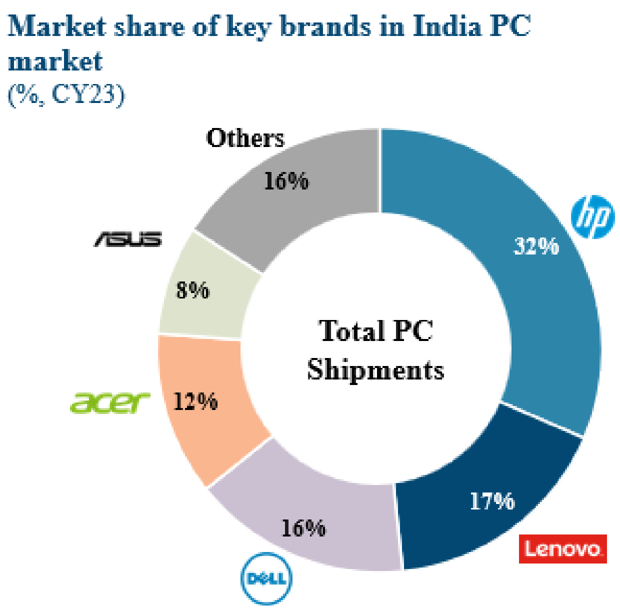
Per capita PC penetration is a key indicator of a nation’s digital readiness and technological adoption. India currently has 75-95 PCs per thousand people, compared to developed countries such as US (750-800) and China (300-350) highlighting the potential for growth in this sector.




Source(s): 1Lattice analysis

**HP leads the Indian PC market with 32% share**

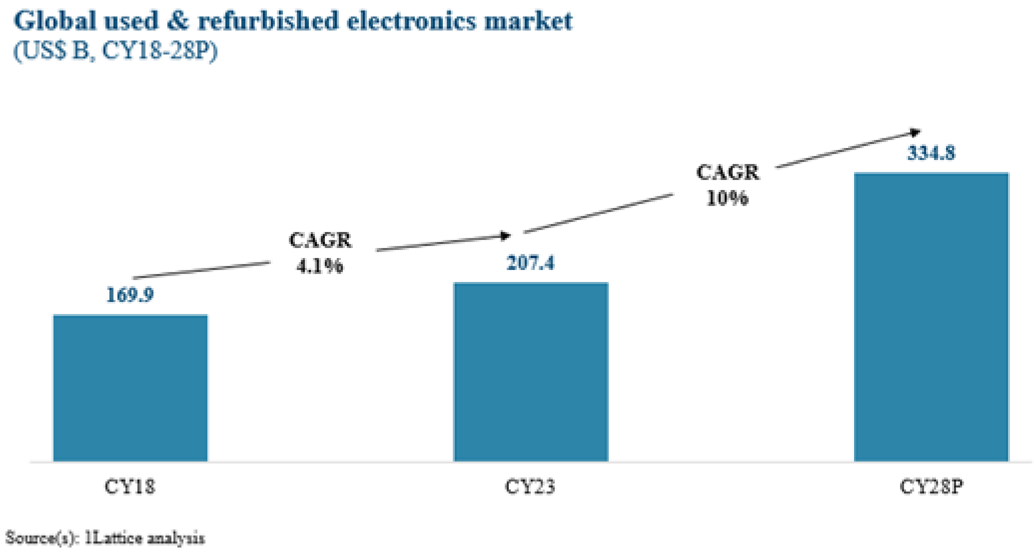
The Indian PC market presents a dynamic and competitive landscape, characterized by a mix of global tech giants and emerging local players vying for dominance. Key brands such as HP, Dell, Lenovo, and Acer dominate the market, each vying for a larger share through innovations, competitive pricing, and expanding product portfolios. HP leads the market with a strong presence in both consumer and enterprise segments, while Lenovo and Dell closely follow, leveraging their global reputation and local manufacturing capabilities. As of CY23, HP captured 32% of market share in the Indian PC market, followed by Lenovo holding 17% share.




Source(s): IDC, 1Lattice analysis

**3.1 Global used & refurbished electronics market grew at a CAGR of 4.1% during CY18-23 reaching a value of US$ 207.4B in CY23**

The global used and refurbished electronics market comprises of electronics that are either resold 'as-is' (which are classified as used for the purposes of this report) or after being refurbished. Unlike electronics that are sold 'as-is', refurbished electronics undergo thorough inspection and repairs, ensuring they meet certain standards before resale. This market spans a range of electronics, from smartphones, laptops, and desktops to home and kitchen appliances, televisions, office equipment, cameras, and video game consoles. The Electronics refurbishment industry is uniquely placed to grow even in downcycles of economic growth as it serves the replacement demand of new devices with affordable solutions

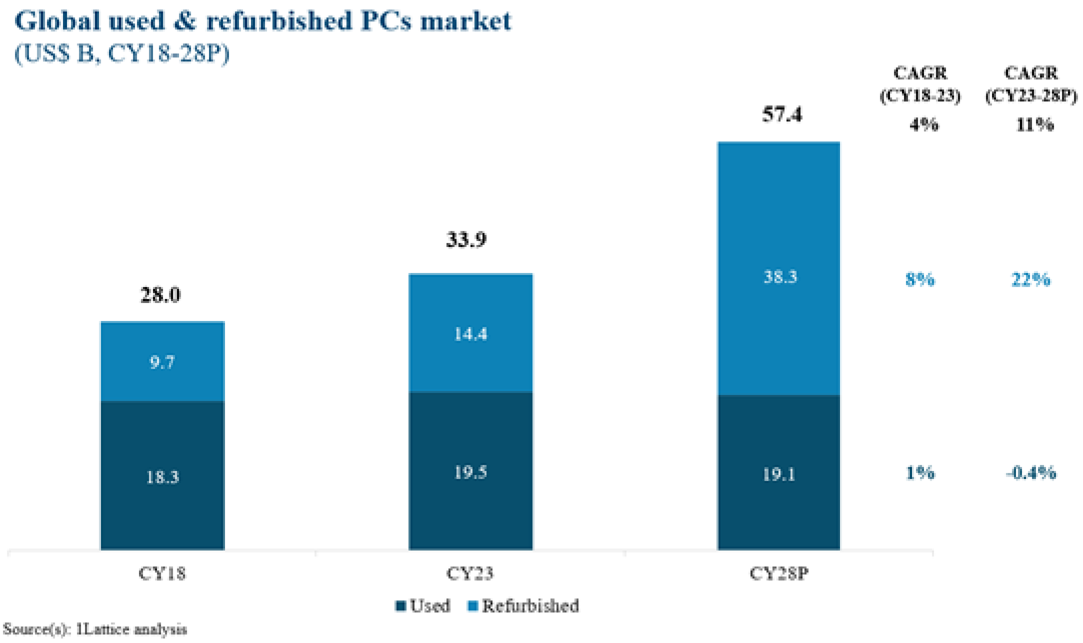



The global used and refurbished electronics market grew from US$ 169.9B in CY18 to US$ 207.4B in CY23, at a CAGR of 4.1%. By CY28, the market is projected to reach US$ 334.8B, growing at a 10% CAGR as consumers and industries increasingly prioritize cost-effective solutions. Within this, the global refurbished electronics segment grew from US$ 67.8B in CY18 to US$ 108.8B in CY23, at a CAGR of 10% and is expected to grow at 16% CAGR over CY23-28 reaching US$ 232.7B in CY28.

The demand for refurbished electronics is driven by various factors, including accelerated internet connectivity, access to artificial intelligence and digital access, shift towards environmentally sustainable products, shift towards digital economy including education and healthcare, affordability and cost effectiveness. Demand for high quality, affordable refurbished electronics is on the rise in emerging and developed markets.

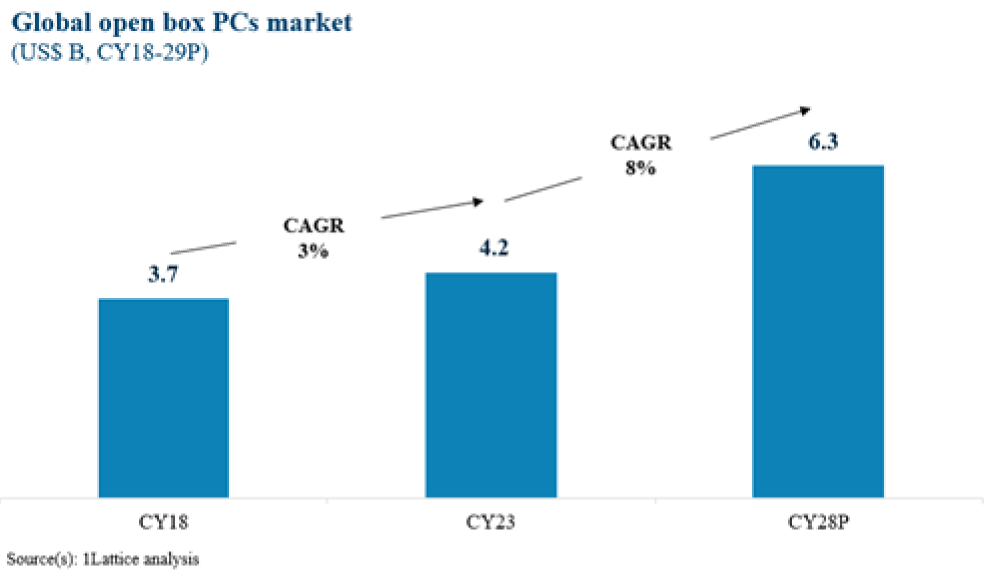
### 3.1.1 Global used & refurbished PCs market is expected to grow at a CAGR of 11% during CY23-28, reaching a value of US$ 57.4B in CY28

PCs play a vital role in the global used & refurbished market. Refurbished PCs offer comparable performance and aesthetics to new models while costing less than half the price. This is achieved through the replacement/repair of hardware and software components during the refurbishment process. Additionally, cosmetic enhancements are made to ensure that refurbished PCs have a like-new appearance. The global refurbished PCs market grew from US$ 9.7B in CY18 to US$ 14.4B in CY23, reflecting an 8% CAGR, & is expected to grow at 22% over CY23-28 reaching US$ 38.3B. By CY28, the global used & refurbished PCs market is projected to reach US$ 57.4B, with an impressive CAGR of 11%, as more consumers seek cost-effective options without compromising on performance. Increasing consumer acceptance of refurbished PCs has been a key driver, as these devices provide a near-new experience at a lower price point. Advancements in refurbishment techniques and better product quality have further supported this trend.




3.1.2 **Global open box PCs market grew at a CAGR of 3% during CY18-23, to reach a value of US$ 4.2B in CY23**

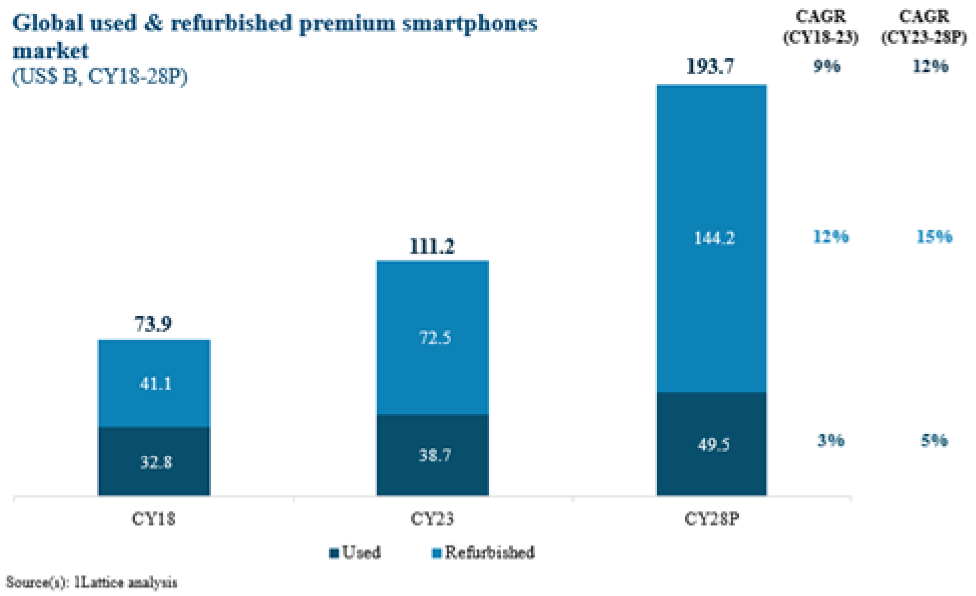
Open box refers to PCs that have been unsealed and returned within the warranty period. These products are typically offered at a discounted price compared to brand-new models, making them an attractive option for budget-conscious consumers. Despite being returned, open box PCs maintain the same performance standards as new units, as they have generally been used for a limited time and are thoroughly inspected before resale. This category provides an excellent opportunity for customers seeking high-quality electronics at a more affordable price point. Global open box PCs market is expected to grow at a CAGR of 8% during CY23-28 reaching a valuation of US$ 6.3B.




3.1.3 **Global used & refurbished premium smartphones market grew at a CAGR of 9% during CY18-23, and is expected to grow at a CAGR of 12% during CY23-28**

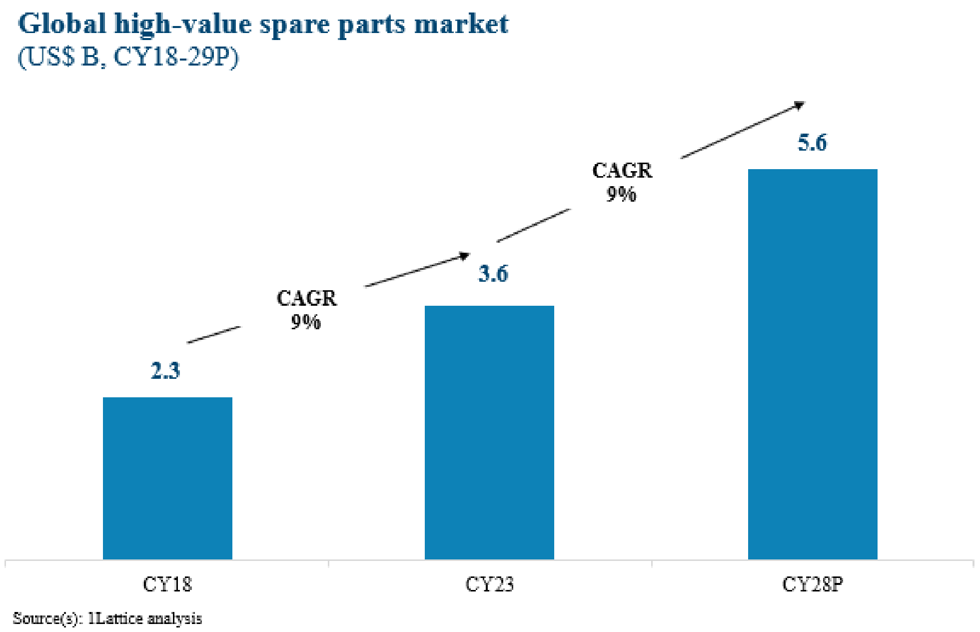
The global market for premium flagship smartphones is integral to the refurbished sector. Refurbished smartphones offer the same high-quality features as their new counterparts but at a significantly lower price point. These devices undergo rigorous testing and quality checks before being sold, ensuring they meet performance standards. Additionally, they typically come with a warranty, making them an appealing option for consumers seeking value without compromising on quality. This combination of affordability and reliability positions refurbished smartphones as a viable solution.

The global used and refurbished premium smartphone market is poised for strong growth, expected to reach US$ 193.7B by CY28, driven by a 12% CAGR. Refurbished premium smartphones are increasingly appealing to consumers, offering access to high-end devices at a fraction of the original price. With improved refurbishment quality, these devices provide a premium experience, making them an ideal choice for cost-conscious buyers. As demand for premium smartphones continues to rise, the refurbished segment is set to capture a larger share of the market, fueled by the growing consumer preference for value-driven, high-performance options. With growing awareness and enhanced refurbishment quality, the market is transitioning from rapid early growth off a smaller base to sustained momentum. Fueled by a significant surge in premium smartphone adoption over the past five years, the market is now poised for consistent expansion, particularly as emerging regions present robust growth opportunities that reinforce its long-term resilience.




### 3.1.4 Global high-value electronics spare parts market expected to grow at a CAGR of 9% during CY23-28, reaching a value of US$ 5.6B by CY28

The demand for high-value electronic spare parts, such as hard drives and graphics cards, is rising due to increased consumer electronics demand and technological advancements. Many consumers are opting to upgrade these components in their desktops and laptops instead of purchasing new systems, as this approach enhances performance and offers a cost-effective and eco-friendly solution. Global high-value electronics spare parts market expected to grow at a CAGR of 9% during CY23-28, reaching a value of US$ 5.6B by CY28.

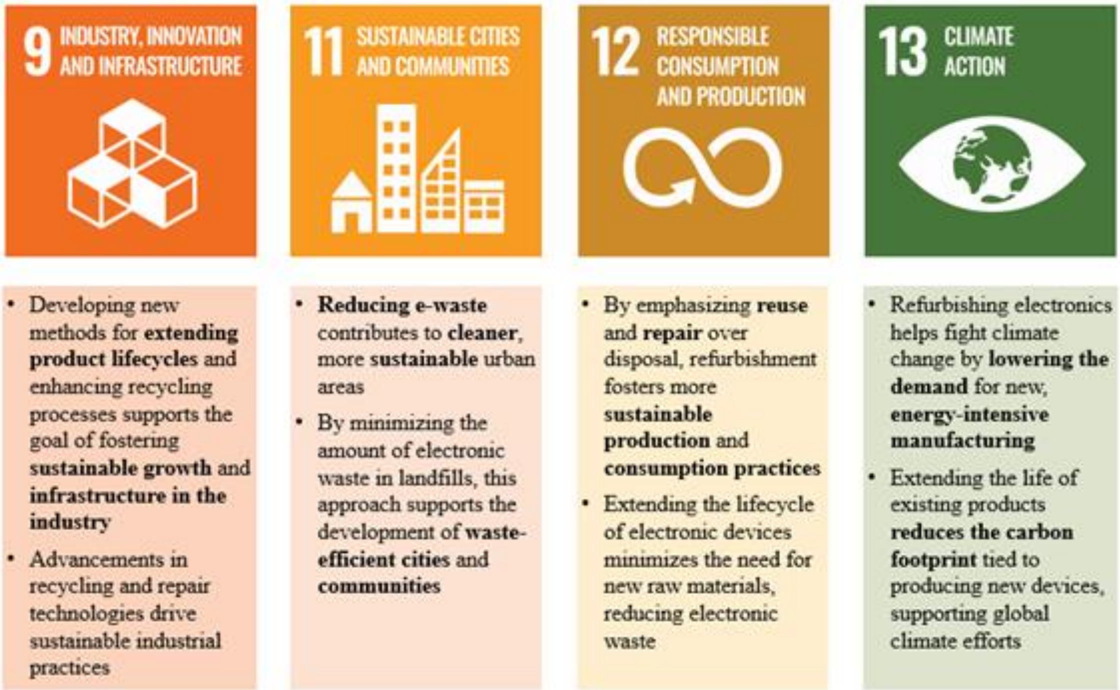


### 3.1.5 Global sustainability goals to drive refurbishment

The United Nations Sustainable Development Goals (SDGs) were established in CY15 as a universal framework designed to address pressing global challenges such as poverty, inequality, and climate change, aiming for a sustainable future by CY30. These goals provide a comprehensive roadmap for sustainable development across various sectors, including the refurbishment industry.

**UN Sustainable Development Goals and refurbished electronics**

As global efforts to mitigate climate change intensify, the refurbishment industry plays a key role in advancing sustainability. By extending product life cycles, refurbishment reduces the need for raw material extraction and new production, cutting emissions and conserving energy. This aligns with UN Sustainable Development Goals (SDGs) numbered 9, 11, 12, and 13 out of the total 17 SDGs, promoting responsible consumption and reducing e-waste




**Global COP28 Commitments**

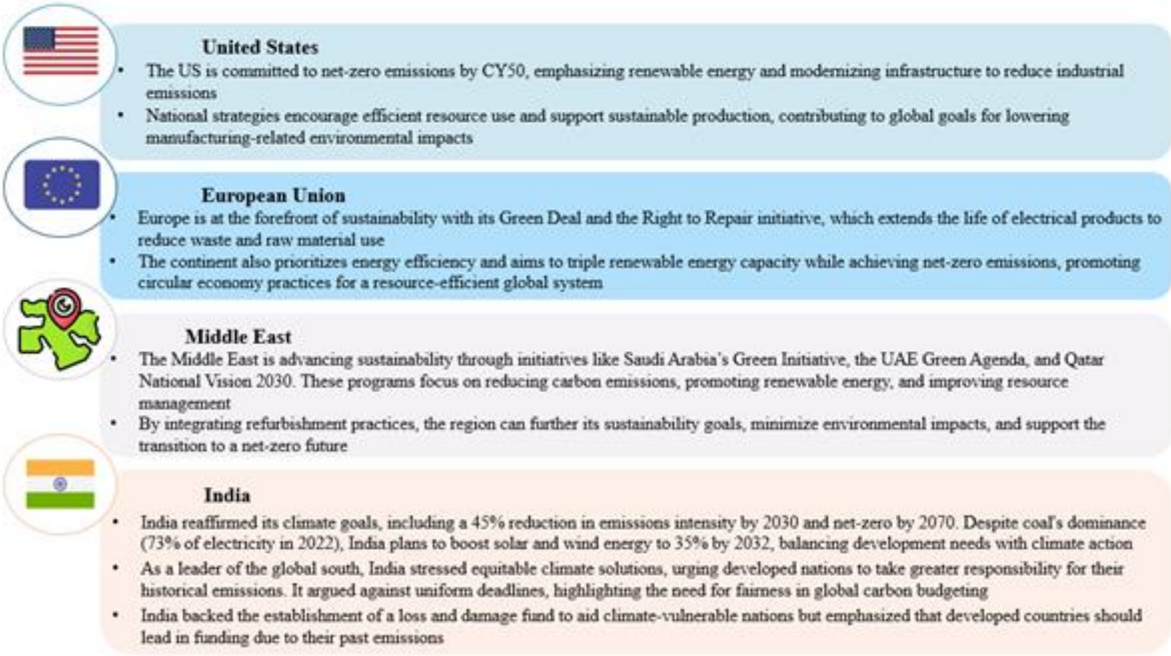
The countries around the world are placing greater focus on Environmental, Social, and Governance ("ESG") standards as sustainability becomes a global priority. One pressing issue is the growing volume of electronic waste (e-waste), with only a small portion currently being recycled. COP28 marked a pivotal moment in global climate action, with nearly 200 countries committing to ambitious targets aimed at limiting global temperature rise to 1.5°C. Key commitments are:

- Commitment to tripling renewable energy capacity by CY30
- Targeting 11,000 GW of global renewable capacity
- Achieving net-zero emissions by CY50 across key sectors like energy, industry, and transport.

These goals are intended to transform industries and economies towards more sustainable practices by reducing reliance on carbon-intensive processes, minimizing waste, and promoting energy efficiency. Among the most critical outcomes is the Loss and Damage Fund, which seeks to support climate-vulnerable nations in dealing with the irreversible impacts of climate change. This fund signals a broader acknowledgment of the global disparities in climate vulnerability and aims to ensure that sustainable development includes all nations, particularly those hardest hit by climate impacts.

The COP28 commitments underscore the necessity of resource efficiency, innovation, and reduced carbon emissions across industries. This includes not just energy and transport but also the management of material resources, encouraging a shift toward reuse and extending product lifecycles making reuse the best form of recycling. The push for sustainability naturally aligns with principles that reduce the need for raw material extraction and cut down on industrial waste and emissions. By doing so, industries can reduce the environmental burden of production and meet global climate targets.

Key commitments & initiatives by major economies are as follows:




**Total global e-waste generation, recycling and targets for recycling and reduction**

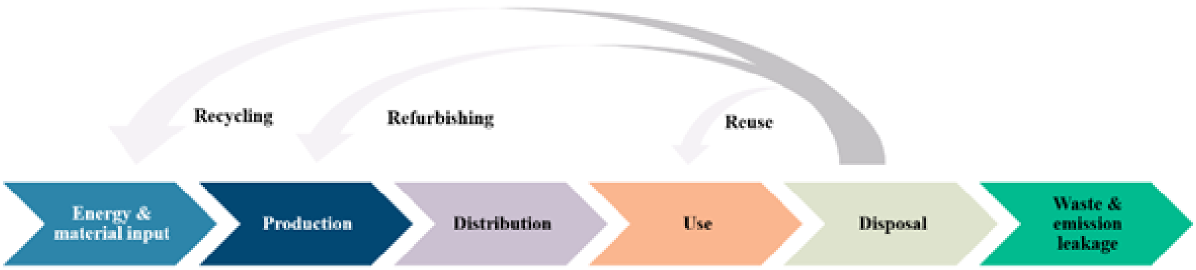
The world is undergoing a significant digital transformation, driven by technological advancements that are profoundly altering the way we live, work, learn, socialize, and conduct business. This digital revolution has led to the proliferation of electronic devices, including not only computers and smartphones but also household appliances, e-bikes, health monitors, environmental sensors, and energy-saving equipment like LEDs and photovoltaics. As a result, global electronic waste (e-waste) has surged. In CY22, the global generation of e-waste reached a record ~60B kilograms (kg), translating to an average of ~10 kg per capita per year. This marks a substantial increase from ~35B kg in CY10, this rise is driven by the growing interconnectivity of devices and the increasing electronification of both urban and remote areas.

Despite the rising volume of e-waste, the recycling rate remains a critical concern. In CY22, only ~20% of the generated e-waste was formally collected and recycled in an environmentally sound manner. While the amount of formally collected and recycled e-waste has increased from ~8B kg in CY10 to ~14B kg in CY22, this growth is significantly outpaced by the rate of e-waste generation. The disparity is driven by factors such as technological progress, higher consumption rates, limited repair options, short product lifecycles, and inadequate e-waste management infrastructure. Refurbishing electronics offers a pricing coupled with extension of useful life solution, helping to reduce e-waste by extending the life of devices,

**Recycling targets:** Countries worldwide are setting ambitious targets and implementing various initiatives to tackle the growing challenge of e-waste. These targets aim to improve recycling rates, enhance waste management infrastructure, and promote the principles of a circular economy. Key initiatives across the primary regions are:

**Circular economy – reuse, repair and recycle**

A circular economy minimizes waste and maximizes resource use by promoting reuse, recycling, refurbishing, and remanufacturing. Unlike the traditional linear economy, which follows a “take-make-dispose” model, the circular economy ensures that products and materials stay in use for as long as possible, reducing waste, conserving natural resources, and lowering environmental impact. In the electronics industry, refurbishment plays a key role in this system by extending the life of devices and minimizing the need for new manufacturing.




By refurbishing and reintroducing electronics into the market, the demand for raw materials is reduced, and electronic waste is diverted from landfills. This contributes to more sustainable consumption and production practices, aligning with the broader goals of the circular economy. Through refurbishment, the environmental footprint of electronics is lessened, and valuable resources are kept in use, supporting the shift away from a disposable culture. The refurbished electronics market offers a value proposition for ESG wherein the environmental value is created by reusing and re-cycling parts which avoids emissions and material extraction. Further, the refurbishment industry also creates job opportunities for skilled and unskilled labour.

### 3.1.6 Carbon footprint impact of 'buy vs refurbish' of key electronics

A new laptop generates ~1,200 kg $CO_2e$, with 80% of emissions coming from manufacturing. This includes emissions from parts replacement, energy use in refurbishment facilities, and transportation. By choosing a refurbished laptop, consumers avoid ~250-330 kg $CO_2e$, demonstrating a major reduction in carbon emissions.

Refurbishing laptops significantly reduces the demand for raw materials and energy-intensive production, both of which are major contributors to a new laptop's carbon footprint. Since production accounts for about 80% of the emissions associated with a new laptop, refurbishing avoids these emissions entirely. Instead, only spare parts are produced, which has a much smaller environmental impact.

### 3.1.7 Product & service benchmarking of key global players

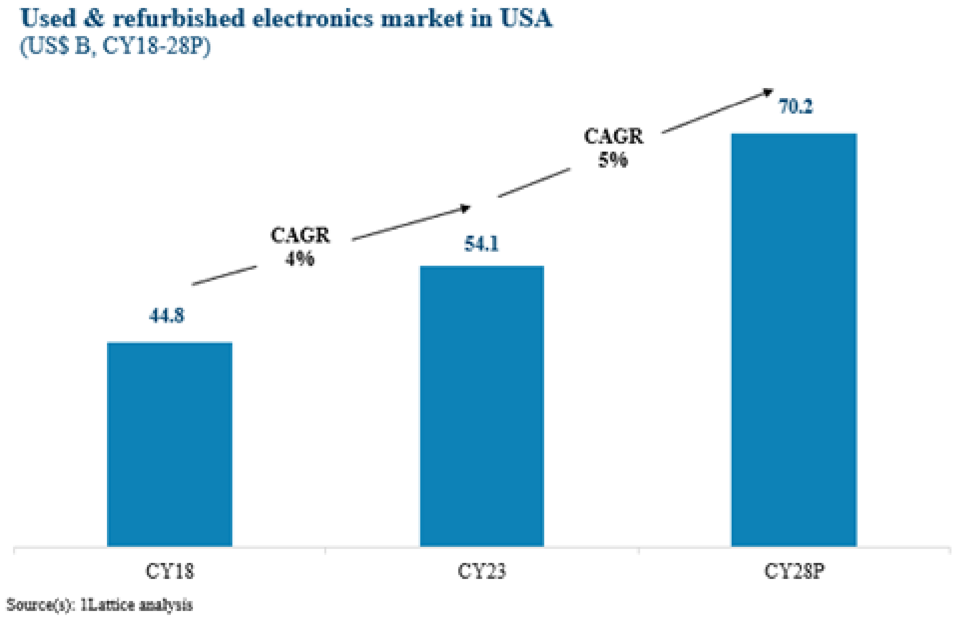
The major refurbishing companies globally are Electronics Bazaar, CertiDeal, Close the loop, Gazelle, MusicMagpie

| | | electronics bazaar.com | CertiDeal | Close the Loop | gazelle | musicMagpie |
|---|---|---|---|---|---|---|
| **Annual revenue (INR M, FY24)** | | ~INR 11,381M | NA* | ~INR 19,022M | NA* | ~INR 12,089M |
| **Products sold** | **Smartphones** | ✓ | ✓ | ✗ | ✓ | ✓ |
| | **Laptops** | ✓ | ✓ | ✓ | ✗ | ✓ |
| | **Desktops** | ✓ | ✗ | ✓ | ✗ | ✓ |
| | **Spare parts** | ✓ | ✗ | ✗ | ✗ | ✗ |

Note(s): *Not available ✓ **Products offered** ✗ **Products not offered**

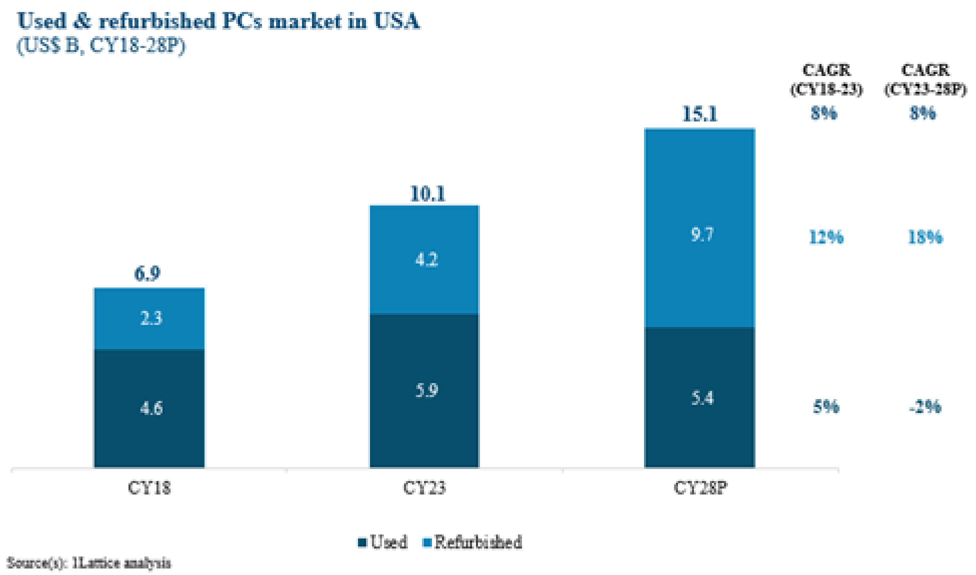
## 3.2 In CY23, used & refurbished electronics market in USA was valued at US$ 54.1B and is expected to grow at a CAGR of 5% during CY23-28

The used and refurbished electronics market in the USA grew from US$ 44.8B in CY18 to US$ 54.1B in CY23, expanding at a CAGR of 4%. It is expected to reach US$ 70.2B by CY28, continuing its steady growth. As refurbished devices become more widely accepted for their quality and performance, they are increasingly seen as a smart alternative to buying new, contributing to the market's sustained momentum.



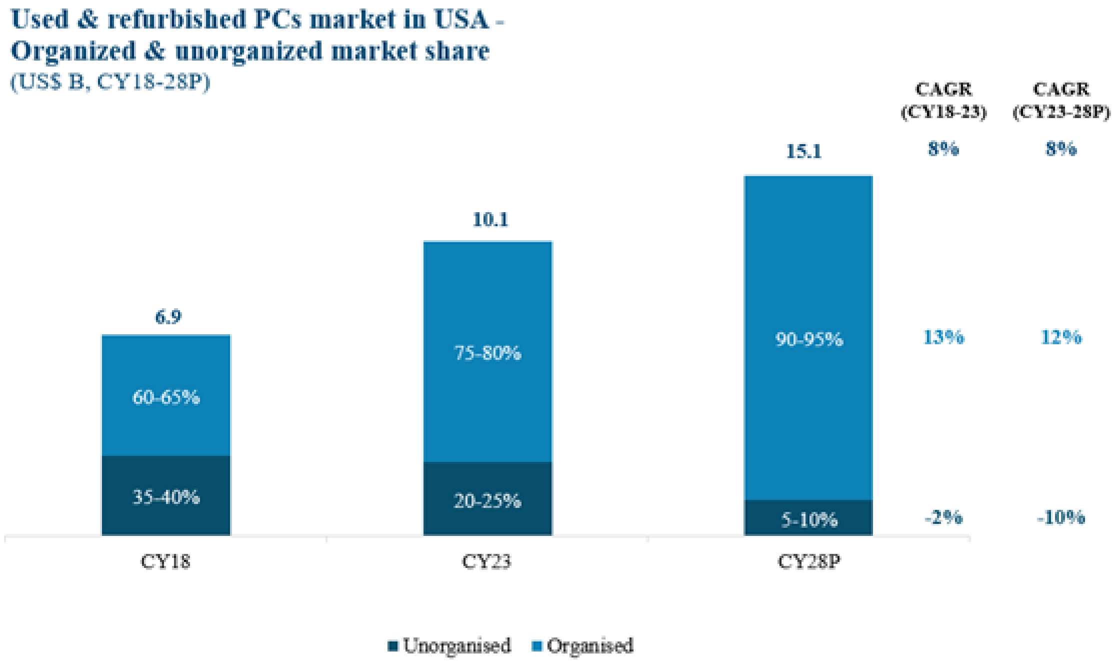

### 3.2.1 Used & refurbished PCs market in USA was US$ 10.1B in CY23, expected to grow at a CAGR of 8% during CY23-28

The used and refurbished PCs market in the USA grew from US$ 6.9B in CY18 to US$ 10.1B in CY23, reflecting a robust CAGR of 8%. This market is anticipated to reach US$ 15.1B by CY28, growing at an 8% CAGR. Used PCs are generally pre-owned devices sold in their existing condition, often without any upgrades or warranties, while refurbished PCs have undergone testing, repairs, and quality assurance to ensure they meet specific performance standards. The refurbished segment, which boasts an impressive CAGR of 18%, is expected to drive market growth, reaching US$ 9.7B by CY28. As consumers increasingly seek cost-effective and reliable alternatives to new devices, the demand for refurbished PCs continues to strengthen. Enhanced refurbishment standards and affordability are key factors that will sustain the appeal of refurbished PCs, positioning them as a preferred choice over new models in the coming years.




### 3.2.2 In CY23, used & refurbished PCs market in USA is dominated by organised players having a share ~75%, whereas unorganised covers the remaining ~25%

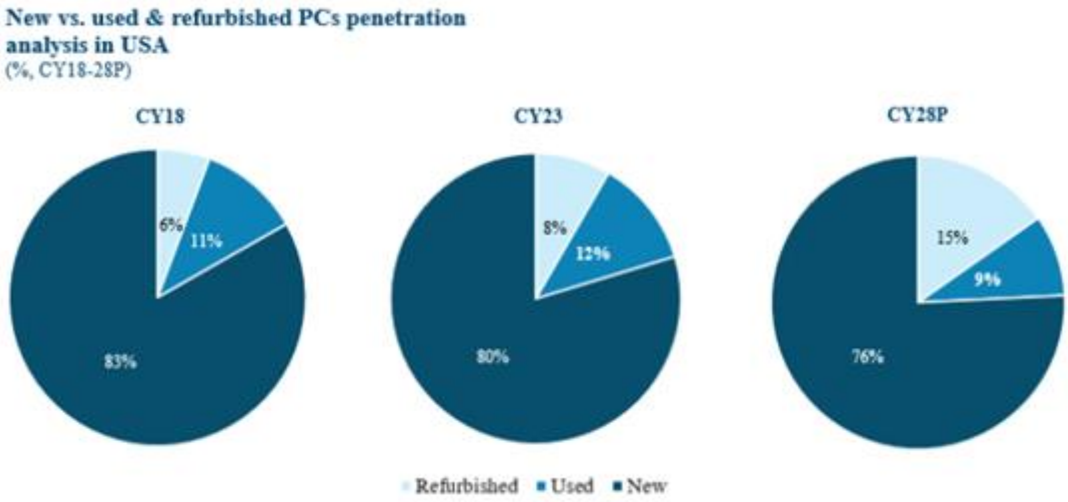
Organized players refer to companies which are registered with the Secretary of State, or a similar office of the state government, or the office of the local county clerk, and provide invoices. The used and refurbished PCs market in the USA has major organized players such as Electronics Bazaar, Gazelle, and Newegg etc. along with organized mom-and-pop stores capitalizing on regulations such as right to repair who made up ~75% of the market in CY23, up from ~60% in CY18. The market while primarily organized is very largely fragmented with no player capturing >5% of the market. There are numerous small-scale businesses being set up in the wake of a favorable regulatory environment and growing demand for used and refurbished electronics. As the market expands to an expected US$ 15.1B by CY28, the share of organized players is projected to grow even further, capturing ~90% of the market. This shift reflects the growing trust in organized platforms that offer higher quality, warranty, and customer assurance, as opposed to unorganized sellers.



Source(s): 1Lattice analysis

### 3.2.3 Share of used and refurbished PCs in the USA has gradually increased from 17% in CY18 to 20% in CY23, and expected to reach 24% in CY28

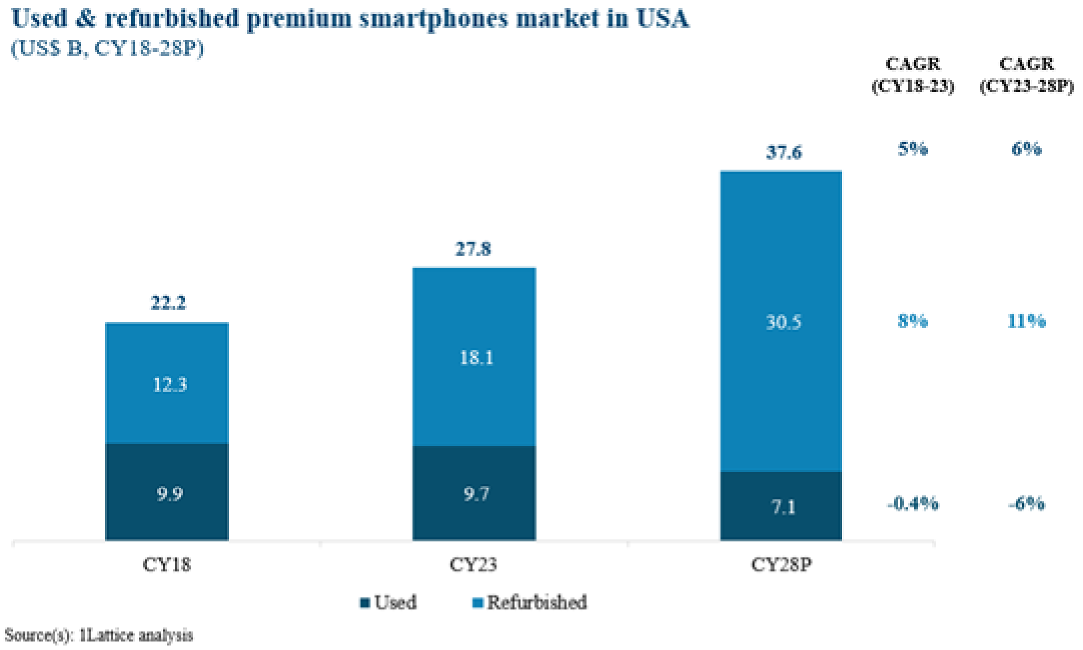
The share of used and refurbished PCs in the USA has gradually increased from 17% in CY18 to 20% in CY23. This slow and steady rise in the acceptance of refurbished devices reflects a growing consumer preference driven by cost savings and increasing awareness of sustainability. While new PCs still represent majority of the market, the demand for used and refurbished models is consistently expanding, indicating a meaningful shift in consumer behavior



Source(s): 1Lattice analysis

### 3.2.4 In CY23, used & refurbished premium smartphones market in USA was US$ 27.8B growing at a CAGR of 5% during CY18-23

The USA's used & refurbished premium smartphone market is primed for significant growth, with a projected CAGR of 6%, expected to reach US$ 37.6B by CY28, up from US$ 27.8B in CY23. Consumers are increasingly drawn to refurbished premium models, seeking high-end smartphones at a fraction of the original price. Enhanced refurbishment techniques now restore devices to varying conditions, from "good" to "excellent," providing a range of price points for different budgets. This variety, combined with the promise of near-flawless, fully tested devices, is driving the demand for premium smartphones without the hefty price tag, propelling the market's future growth.




### 3.2.5 Economic value proposition of refurbishing

The refurbishment industry offers a compelling economic value proposition by merging environmental sustainability with cost-effectiveness.

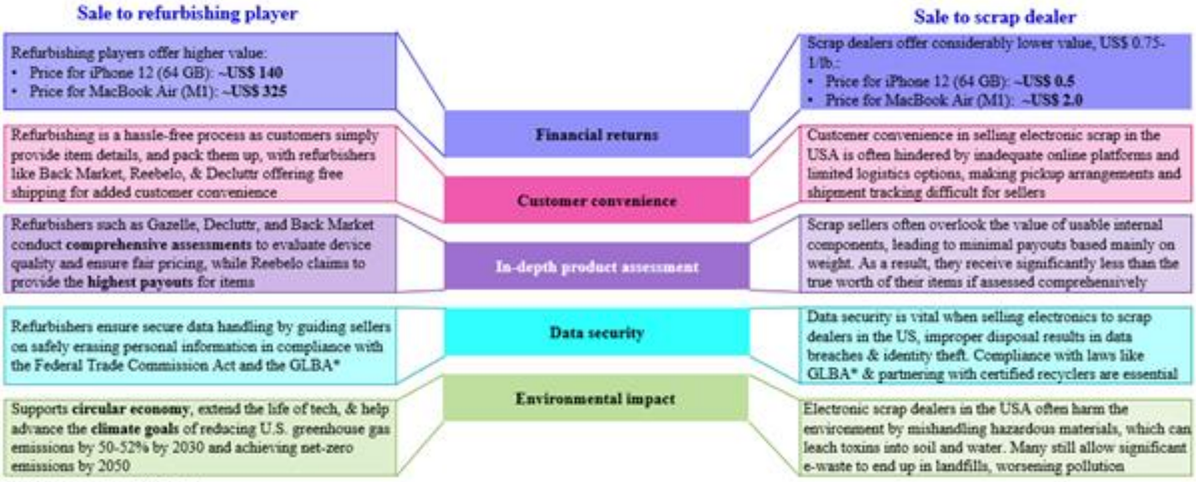
- Refurbished devices, such as mobile phones and laptops, are typically priced lower than new products, making them accessible to a wider audience.
- The refurbishment sector conserves resources while creating highly skilled jobs, enhancing workforce capabilities, and maximizing production capacity. According to the National Recycling Coalition, recycling generated 1.1M jobs and US$ 37B in annual payroll in the United States.
- Refurbishing electronics dramatically cuts the carbon footprint by averting the energy-intensive processes required to manufacture new devices. This approach not only conserves valuable resources but also plays a pivotal role in mitigating greenhouse gas emissions, driving forward the sustainability agenda in the tech industry.

Companies like Apple exemplify the economic value of refurbishment by merging sustainability with cost-effectiveness. In CY23, Apple diverted nearly 12.8 million devices for reuse, showcasing how refurbishment extends product lifecycles and enhances accessibility. Their trade-in & zero-waste programs have prevented over 3M metric tons of waste from ending up in landfills, reinforcing their commitment to reducing e-waste. By refurbishing and reselling devices at lower prices, Apple conserves resources and lowers the environmental impact of each device, making premium technology more accessible to a broader audience.

The resources needed to create one new laptop amount to 1,200 kg of mined and consumed earth materials and 250-330 kg of $CO_2e$ is emitted during the manufacture of a new laptop. By opting for refurbished Laptop, not only is resource consumption reduced, but e-waste from disposed laptops which is typically disposed off in landfills is also avoided. E-waste in landfills can have several negative impacts on soil and surrounding areas such as contamination of groundwater, disruption of local ecosystems, degradation of soil quality leading to a decline in biodiversity in the area. Further, the refurbishment industry also creates job opportunities for skilled and unskilled labour. Ultimately, the refurbishment industry offers significant benefits for consumers, manufacturers, and the environment, highlighting its vital role in promoting sustainable practices and driving economic growth.

**Value proposition of refurbishment vs scrap of old devices**

The refurbishing players offer better payouts, easier processes, secure data handling, and are environmentally friendly. In contrast, selling to scrap dealers results in lower returns, minimal product assessment, potential data security risks, and environmental concerns due to improper recycling practices




Note(s): *Gramm-Leach-Bliley Act

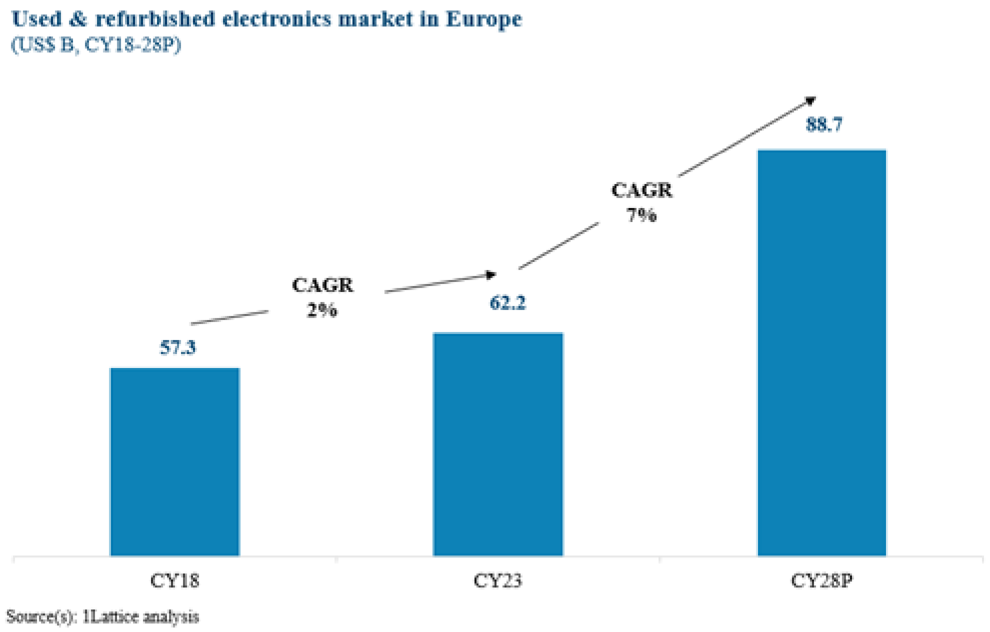
**Value proposition of buying refurbished vs new devices**

The major comparison factors between the refurbished devices and new devices are price point where the refurbished devices are nearly 40-50% less when compared to the new ones, The quality and condition, environmental impact, warranty & customer support and availability of the goods which can be an issue in both refurbished devices and new devices as well.


## 3.3 In CY23, used and refurbished electronics market in Europe was valued at US$ 62.2B and expected to grow at a CAGR of 7% during CY23-28

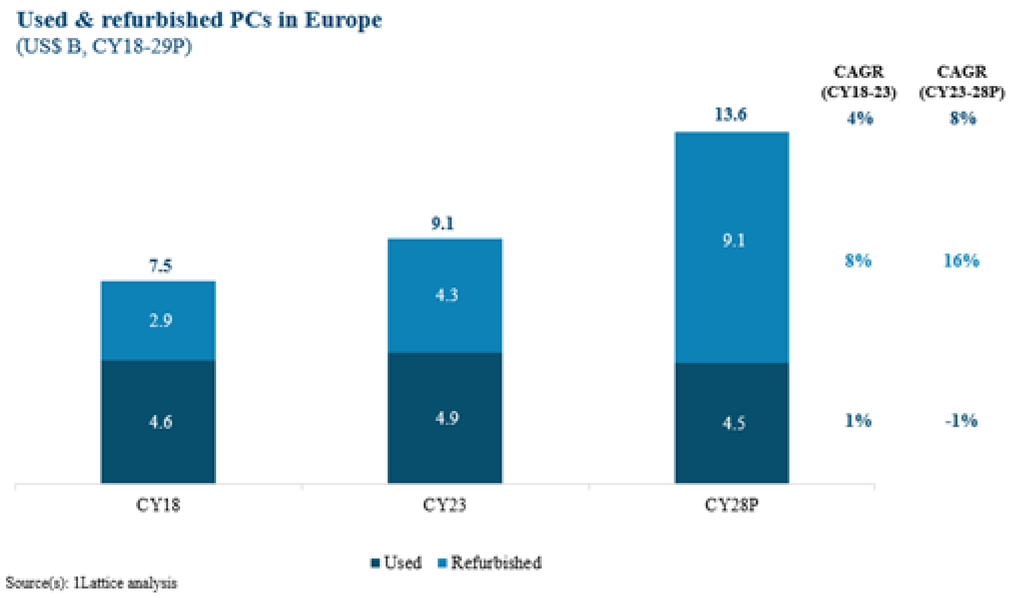
The European used and refurbished electronics market has shown steady growth over the past few years, driven by increasing consumer demand for cost-effective and sustainable technology options. In CY18, the market was valued at US$ 57.3B and has since grown to US$ 62.2B in CY23. This expansion is projected to continue, with the market expected to reach US$ 88.7B by CY28, growing at a CAGR of 7%. This trend reflects a shift towards circular economy practices and the rising popularity of refurbished electronics in Europe.

The French government's anti-waste law mandates a "repairability index" for products like smartphones and laptops, scoring them from 1 to 10 based on ease of repair, availability of spare parts, and more. This aims to promote transparency and encourage the use of repairable, sustainable electronics. Starting in 2024, France will introduce a durability index to complement the repairability index, assessing the overall robustness and longevity of products. France has introduced legislation to reduce the environmental footprint of digital technology. This mandates that 20% of IT devices bought by organisations need to be refurbished, with a target of 40% by 2040. The legislation is even more stringent in the public sector, targeting an increase of up to 50% by 2025. Similarly, The Irish Government, under its "Buying Greener" Green Public Procurement Strategy and Action Plan, aims that by 2025, at least 80% of newly procured ICT end-user products will be either refurbished or will meet other environmental standards. These measures align with the EU's broader circular economy goals under the European Green Deal, encouraging sustainable production and consumption practices across Europe.



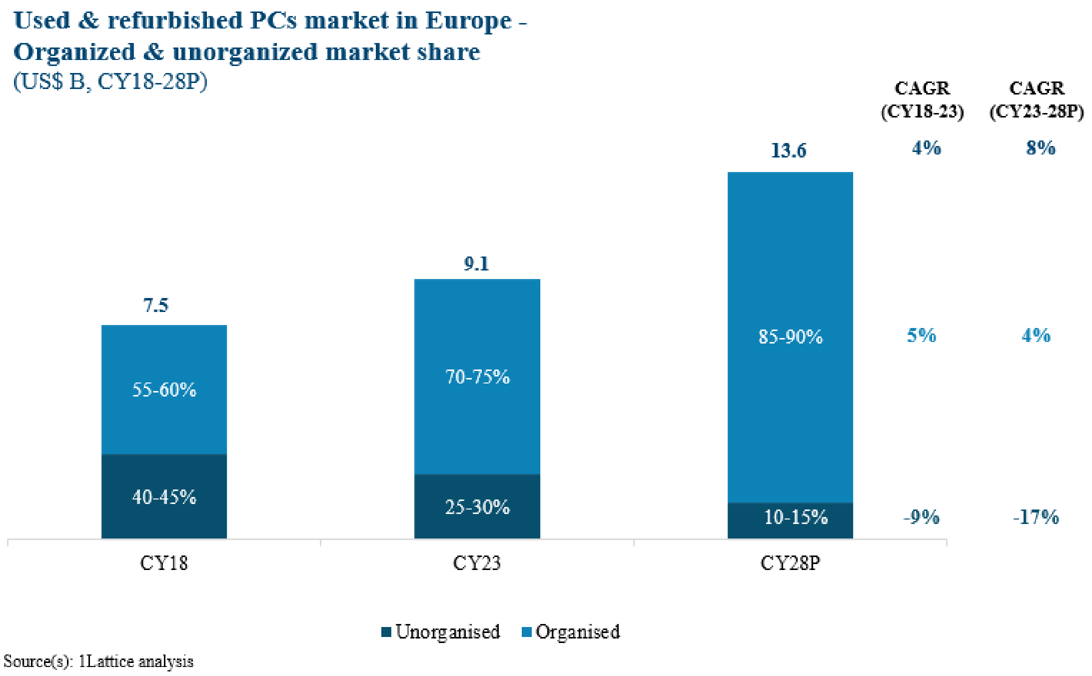

### 3.3.1 Used & refurbished PCs market in Europe expected to grow to US$ 13.6B by CY28, growing at a CAGR of 8% during CY23-28

The European market for used and refurbished PCs has experienced notable growth, reflecting increasing consumer interest in more affordable and sustainable laptop options. In CY18, the market was valued at US$ 7.5B, with US$ 4.6B attributed to used PCs and US$ 2.9B to refurbished ones. By CY23, the total market value increased to US$ 9.1B, with refurbished PCs contributing US$ 4.3B. This market is projected to grow further, reaching US$ 13.6B by CY28, driven by a CAGR of 8%, with refurbished PCs dominating the segment.




### 3.3.2 In used and refurbished laptop market in Europe, organized players are expected to dominate ~90% of the market by CY28

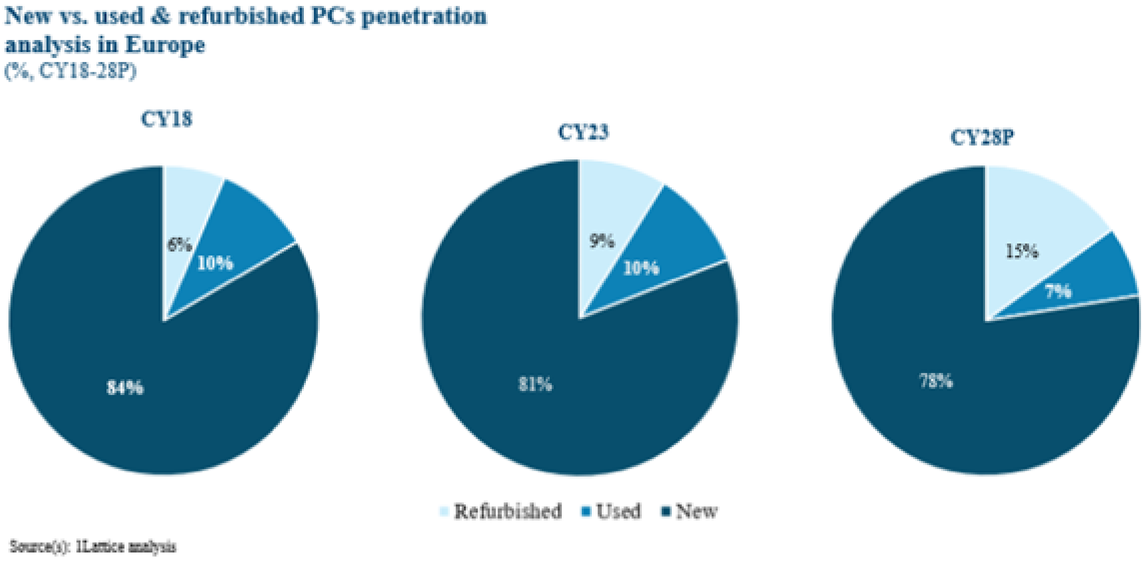
The organized market refers to players which are registered with the respective national bodies & provides invoices. The used and refurbished laptop market in Europe is undergoing a significant shift towards organized players such as Electronics Bazaar, Back Market, MusicMagpie, Vendi and CertiDeal, along with various mom and pop stores who are expected to occupy ~90% of the market by CY28, up from ~60% in CY18. However, this market remains fragmented with no player occupying >5% of the market and large number of small-scale outlets with limited reach and refurbishment capacity.




This trend reflects the growing preference for standardized, reliable refurbishment processes, leaving the unorganized sector with only ~10% by CY28. The market itself is also expanding, projected to grow from US$ 7.5B in CY18 to US$ 13.6B in CY28, driven by a CAGR of 8% between CY23-28. Factors such as consumer demand for quality assurance and environmental considerations are contributing to this shift. The unorganized sector, once dominant, is rapidly shrinking as the market professionalizes.

### 3.3.3 Penetration of used and refurbished PCs in Europe grew from 16% in CY18 to 19% in CY23, with a projected rise to 22% by CY28

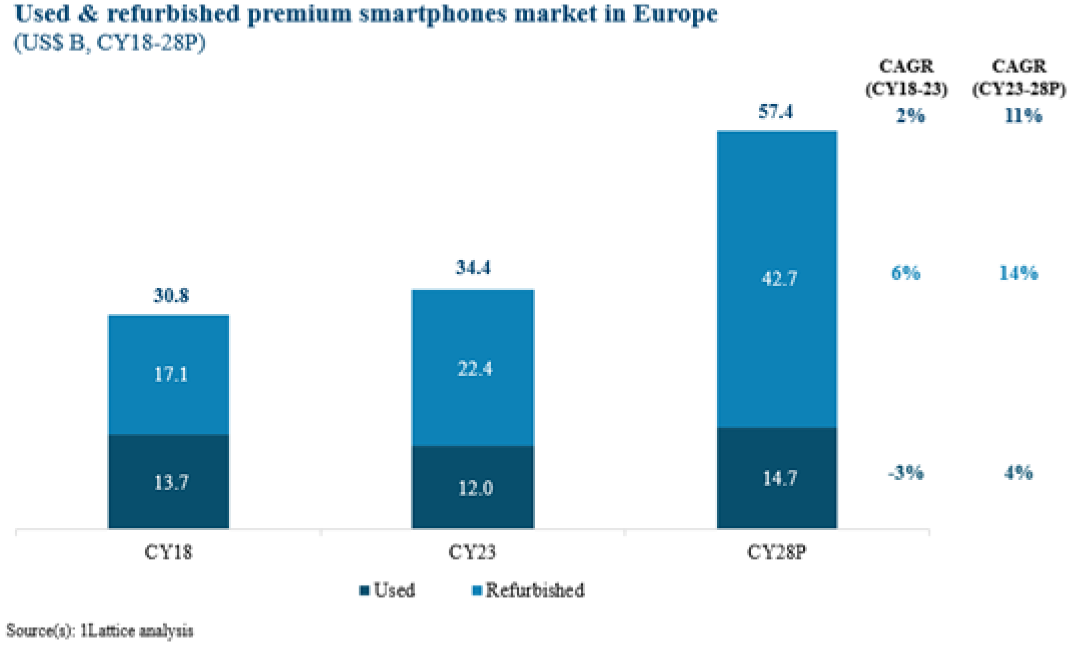
The penetration of used and refurbished PCs in Europe has seen a steady increase from 16% in CY18 to 19% in CY23, with a projected rise to 22% by CY28. This shift reflects a growing acceptance of refurbished devices, likely driven by cost savings and environmental concerns. While new PCs still hold the majority, the demand for used and refurbished models is gradually expanding. The trend indicates a slow but consistent change in consumer behaviour favouring refurbished electronics.




### 3.3.4 Used and refurbished smartphone market in Europe expected to grow from US$ 34.4B in CY23 to US$ 57.4B in CY28, growing at a CAGR of 11%

The used and refurbished smartphone market in Europe is projected to grow significantly from US$ 30.8B in 2018 to US$ 57.4B by CY28. The market has grown modestly between CY18 and CY23, with a CAGR of 2%, reaching US$

34.4B in CY23. However, faster growth is expected between CY23 and CY28, with a projected CAGR of 11%. By CY28, the refurbished smartphone segment is expected to dominate with US$ 42.7B, while used smartphones will make up US$ 14.7B. This reflects a rising demand for more affordable and sustainable smartphone options across Europe.




### 3.3.5 Economic value proposition of refurbishing

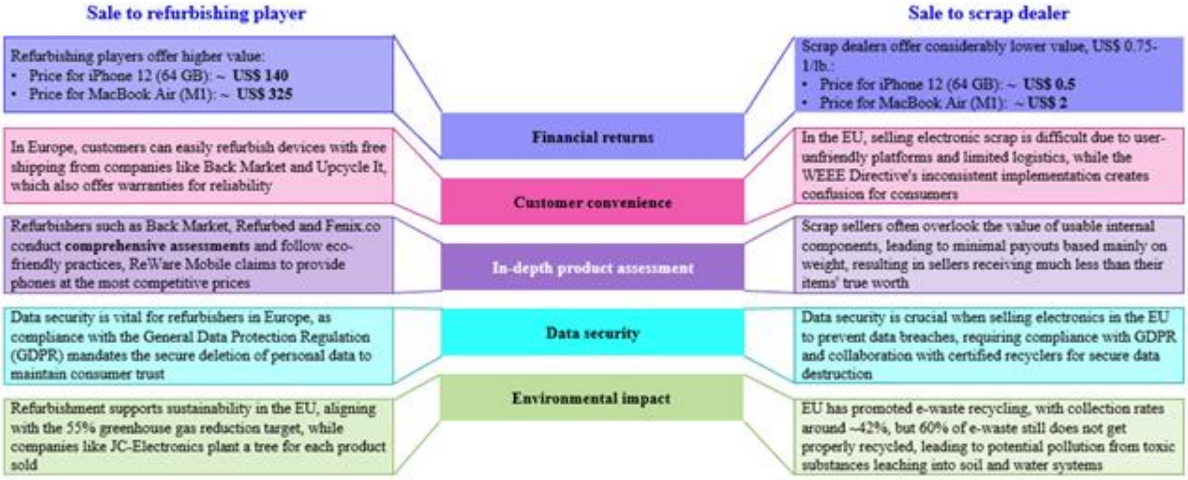
The refurbishment industry is crucial for promoting a circular economy that emphasizes sustainability and efficient resource use. The InvestEU program (CY21-27) prioritizes investments in companies dedicated to product durability, repair, and reuse. This focus is expected to enhance competitiveness, drive innovation, and stimulate economic growth, with estimates suggesting the creation of 700K jobs in the EU by CY30. By designing products for longevity and circular use, businesses can not only foster innovation across various sectors but also contribute to environmental sustainability.

CertiDeal, founded in 2015, addresses e-waste by combining refurbishment and sales, ensuring high-quality devices. By extending smartphone lifespans, it has prevented 7.5M tons of CO2-equivalent emissions through ~124K second-hand phones sold. Recognized by investors for its environmental impact and market potential, CertiDeal highlights the financial viability of sustainable practices in the tech industry.

This transition will provide consumers with more durable products, improve their quality of life, and deliver long-term cost savings, making refurbishment a compelling economic proposition. Additionally, incorporating repair and reuse into economic investments and recovery plans can help establish a resilient economy.

**Scrap sale vs sale to refurbished option analysis**

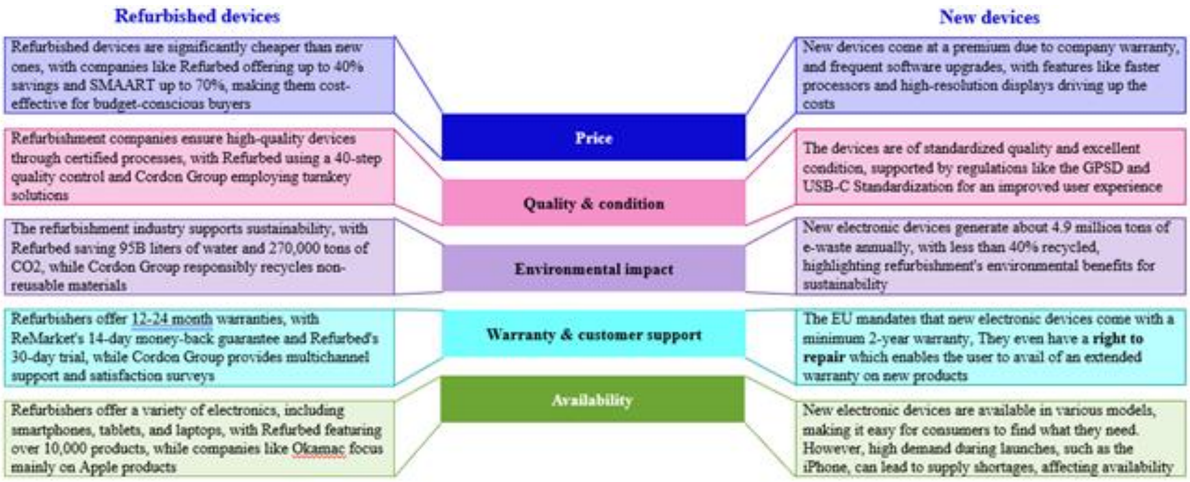
The refurbishing and scrap markets for used electronics in the European region differ across key parameters. Refurbishing companies offer higher prices, enhanced customer experiences, and environmental benefits through device reuse. They also implement data security measures and provide trade-in incentives. In contrast, scrap dealers tend to offer lower prices, operate through traditional channels that can negatively affect customer experience, and focus primarily on material extraction rather than device recycling.




Note(s): *General Product Safety Directive- mandates that only safe consumer products are sold in the EU, ** Waste Electrical and Electronic Equipment, a European Union directive aimed at reducing e-waste and promoting the recycling and proper disposal of electrical and electronic products

**Buy 'new' vs 'buy refurbished' option analysis**

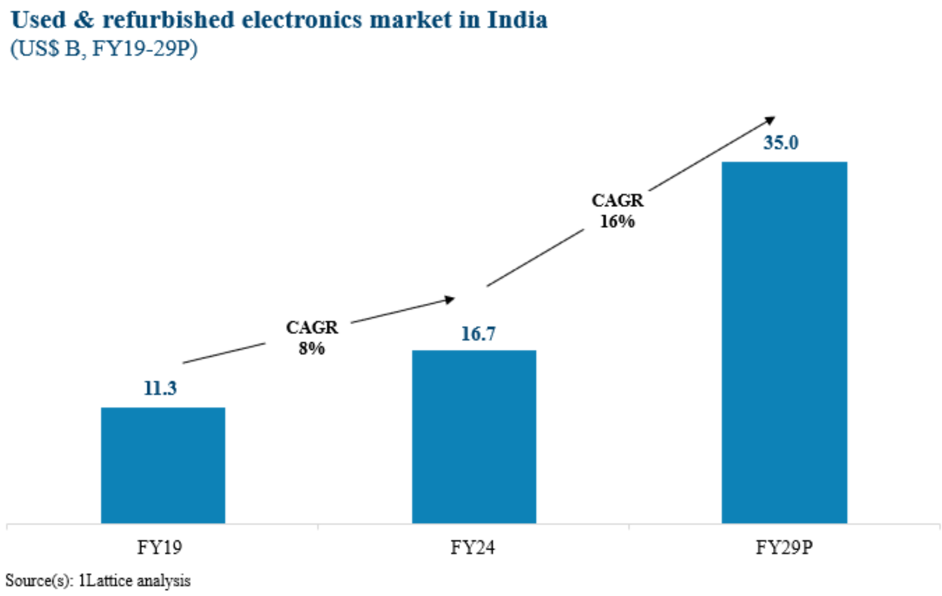
Refurbished devices in the European region offer significant savings of up to 40% for budget-conscious consumers, along with in-house warranties compared to brand-specific warranties for new devices. While refurbished options provide comparable performance to new devices, the latter feature the latest technology. Choosing refurbished devices helps reduce e-waste, whereas new devices contribute to increased environmental impact




Note(s): *General Product Safety Directive- mandates that only safe consumer products are sold in the EU, requiring compliance with safety standards, **Restriction of Hazardous Substances- restricts hazardous materials in electrical and electronic equipment to protect health and the environment

## 3.4 Used & refurbished electronics market in India

The secondary electronics market in India comprises of electronics that are either resold 'as-is' (which are classified as used for the purposes of this report) or after being refurbished. Unlike electronics that are sold 'as-is', refurbished electronics undergo thorough inspection and repairs, ensuring they meet manufacturer / OEM's standards before resale. This market spans a range of electronics, from smartphones, laptops, and desktops to home and kitchen appliances, televisions, office equipment, cameras, and video game consoles. As a result, refurbished electronics offer advantages such as brand / refurbisher-backed warranties, close-to-new performance, improved battery life, and other such benefits.

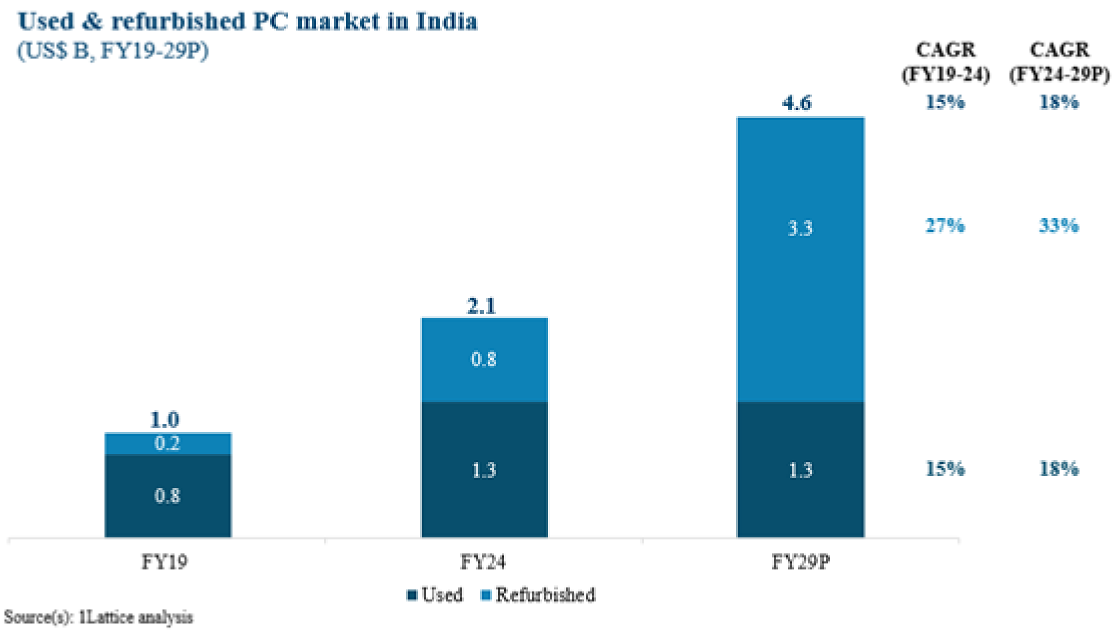



The market has seen significant growth, expanding from US$ 11.3B in FY19 to US$ 16.7B in FY24, and is projected to reach US$ 35B by FY29, at a CAGR of 16% over FY24-29. With rising demand for affordable and high-quality tech products, consumers and businesses are also becoming more environmentally conscious. This dual shift is driving substantial growth in the used and refurbished electronics market, as these products offer budget-friendly access to essential technology while reducing e-waste. Government initiatives promoting a circular economy further enhance this momentum by encouraging reuse and recycling, which amplifies the environmental benefits of refurbished products. As a result, refurbished electronics are not only meeting consumer needs for affordability and quality but also aligning with broader sustainability goals, making them an appealing choice for eco-conscious buyers. The refurbished and used PCs and premium smartphones market accounts for ~35% of the entire used and refurbished consumer electronics market in FY24.

### 3.4.1. Used & refurbished PC market in India

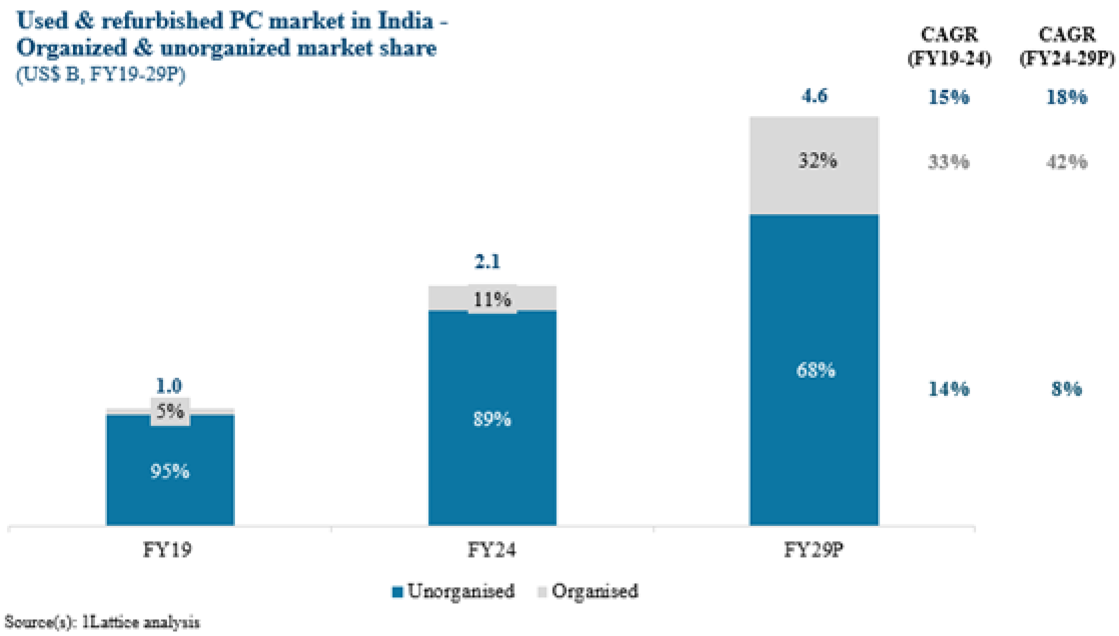
In India's refurbished and used electronics market, PCs have emerged as a vital segment encompassing PCs sold "as-is" and those that undergo comprehensive refurbishment processes. The refurbishment of PCs involves both software and hardware repairs across multiple levels—such as replacing faulty components, software reinstallation, and chip repairs combined with cosmetic refurbishment to ensure they look and function like new laptops. These refurbished PCs cater to consumers seeking affordable tech solutions while maintaining high standards of quality and performance A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "as-is used" devices.

The refurbishment market has demonstrated steady growth, rising from approximately US$ 0.2 B in FY19 to ~US$ 0.8B in FY24, at 27% CAGR. It is projected to reach ~US$ 3.3B by FY29, reflecting a CAGR of 33% from FY24 to FY29. In FY24, the refurbished segment contributed ~US$ 0.8B, while the used segment accounted for ~US$ 1.3B. As businesses and students increasingly seek cost-effective alternatives, the used and refurbished laptop market is poised for significant growth. This demand is further amplified by advancements in refurbishment technologies, which restore laptops to a like-new condition, enhancing their performance and appeal. Coupled with rigorous quality assurance measures, consumer trust is on the rise. Organized players, backed by OEM-certified programs and robust warranties, are strategically positioned to leverage these trends, driving continued expansion within the market.




### 3.4.2. Used & refurbished PC market in India split by organized & unorganized sector market share

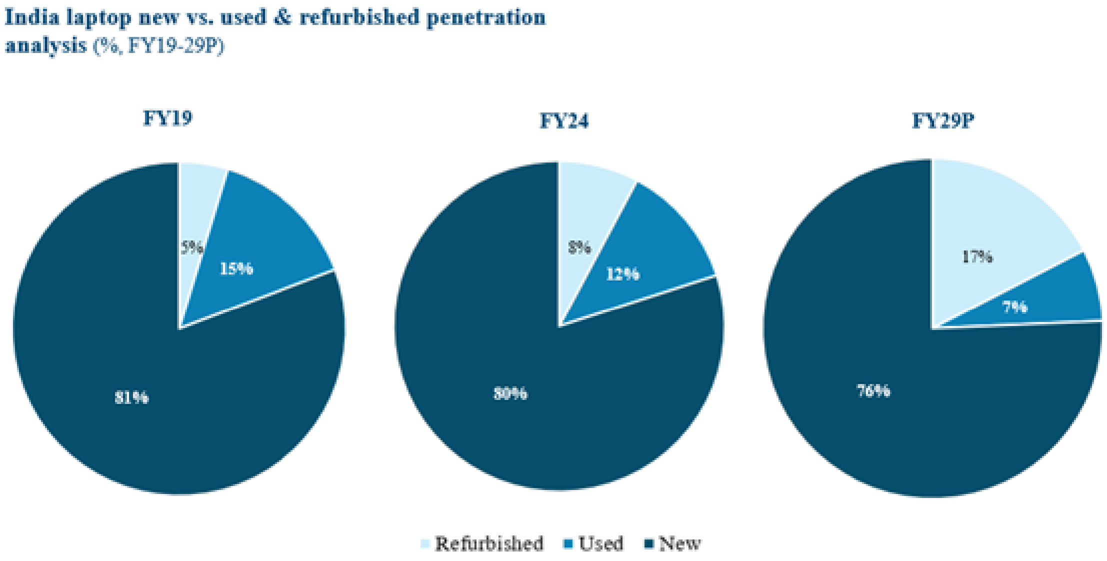
The used and refurbished laptop market in India has traditionally been dominated by unorganized players, who still hold the majority share today. Unorganized vendors typically operate without formal business structures, often offering laptops without standard quality checks or warranties. In contrast, organized players are characterized by their adherence to established processes, providing refurbished laptops that undergo rigorous quality assessments and repairs. They often come with warranties and certifications, fostering greater consumer trust and contributing to a more structured market environment.




In FY19, the unorganized market held a significant share at 95%, while the organized market was much smaller at 5%. By FY24, the organized segment grew to 11% with a robust CAGR of 33% and this trend is expected to continue through FY29, where the organized market is projected to reach 32% growing at a CAGR of 42%. The growing shift towards the organized market is driven by consumer preference for reliable sources, warranties, and quality assurance offered by established players, while the unorganized market continues to cater to cost-sensitive consumers looking for lower-priced options. Large established players like Electronics Bazaar are well placed to capitalize on the significant shift towards the organized market. While ecommerce space for refurbished products is evolving in India, it has matured in European and North American markets

### 3.4.3. 'New vs. used' & refurbished PC penetration analysis

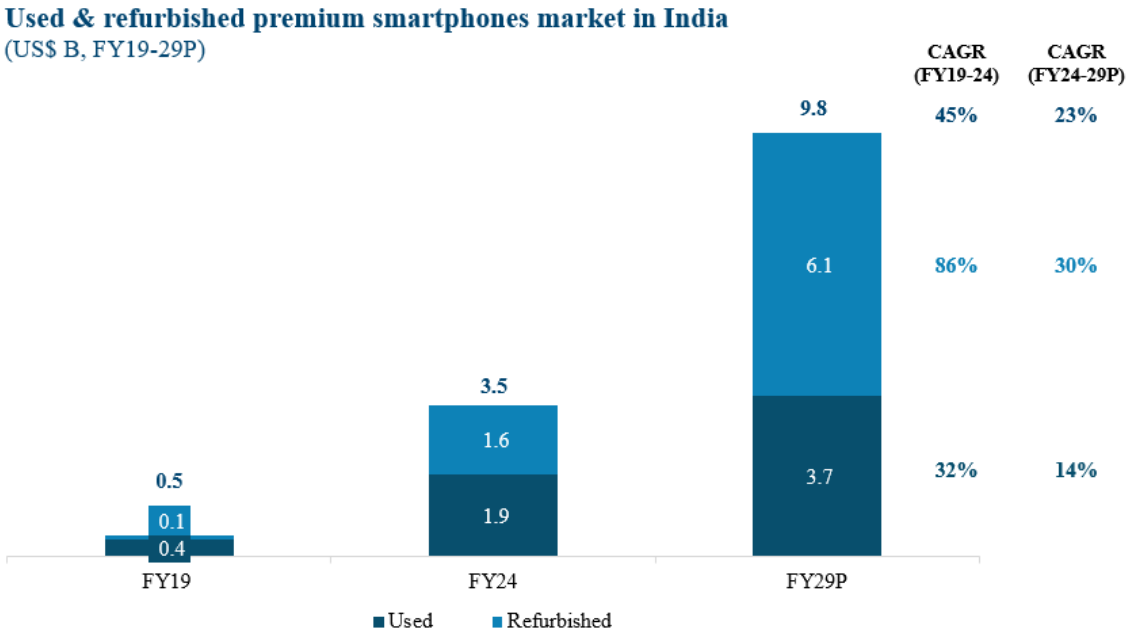
The used and refurbished laptop market is steadily increasing its share of the overall laptop market in India, rising from 20% in FY19 to 24% by FY29. This growth is largely driven by the emergence of organized players within the sector, which enhances consumer trust and credibility. As the market formalizes, consumers become more confident in their purchasing decisions, significantly boosting their willingness to invest in refurbished options. This trend reflects a broader shift toward quality and reliability in the technology market.




Source(s): 1Lattice analysis

### 3.4.4. Used & refurbished premium smartphones market in India

The used and refurbished premium smartphones market in India is experiencing significant growth, with refurbished premium smartphones becoming an increasingly attractive option for consumers. This trend allows individuals to explore new offerings from their preferred brands while being more sustainable and budget-conscious in their purchasing decisions. As consumers prioritize both quality and affordability, refurbished devices provide a compelling solution, enabling them to enjoy premium products at more accessible prices while contributing to environmental sustainability practices. Refurbished smartphones undergo rigorous testing and repair across components such as the screen, motherboard, and body. These repairs are performed by authorised technicians or refurbishment centers.




Source(s): 1Lattice analysis

The market has experienced rapid growth, increasing from US$ 0.5B in FY19 to US$ 3.5B in FY24, and is projected to reach US$ 9.8B by FY29, with a CAGR of 23% over FY24-29. In FY19, refurbished smartphones made up only 13% of the market, while used smartphones dominated with an 87% share. By FY24, the share of refurbished smartphones rose to 46%, with used smartphones making up 54%. This trend continues into FY29, where refurbished smartphones are projected to account for 63% of the market, with the used segment comprising 37%. The shift from used to refurbished premium smartphones is largely driven by the desire for higher quality and reliability. Refurbished devices often undergo rigorous testing and repairs, ensuring they meet consumer standards for performance and longevity.

### 3.4.5. Economic value proposition of refurbishing

The economic value proposition of refurbishing presents a compelling opportunity for value creation and market expansion, particularly in a country like India. By extending product lifecycles, refurbishment significantly reduces consumer costs, enabling a broader segment of the population to access high-quality devices at lower price points. This affordability drives PC penetration without compromising on quality, allowing consumers to enjoy reliable technology that meets their needs.

Furthermore, the refurbishment process unlocks new revenue streams between manufacturing and disposal, catalyzing job creation across the refurbishment value chain, from collection to resale, and leveraging India’s extensive labor force. It also stimulates ancillary industries, such as testing and grading, fostering entrepreneurship and innovation. Additionally, refurbishment addresses India’s e-waste management challenges by extracting value from end-of-life products, particularly precious metals and other valuable materials.

The circular nature of refurbishment opens various employment opportunities in collection, logistics, refurbishment, and resale, playing a key role in advancing India’s Circular Economy agenda. By promoting resource efficiency and reducing waste, refurbishment extends the utility of materials. Regulatory incentives aimed at sustainable practices and waste reduction further encourage the growth of the refurbishment ecosystem, helping to recover valuable resources and drive environmental sustainability.

This process catalyzes job creation across the refurbishment value chain, from collection to resale, leveraging India’s extensive labor force. The refurbishment sector also stimulates ancillary industries (e.g. testing & grading), fostering entrepreneurship and innovation. Moreover, it addresses India’s e-waste management challenges by extracting value from end-of-life products, particularly from precious metals and other valuable materials. Additionally, the circular nature of refurbishment opens various employment opportunities in terms of collection, logistics, refurbishment, and resale. It plays a key role in advancing India’s Circular Economy agenda by promoting resource efficiency, reducing waste, and extending the utility of materials. Furthermore, regulatory incentives aimed at sustainable practices and waste reduction encourage the growth of the refurbishment ecosystem, helping address India’s e-waste management challenges by recovering valuable resources, including precious metals, thereby driving environmental sustainability.

**Scrap sale vs. sale to refurbished option analysis**

The refurbishing and scrap markets for used electronics differ across key parameters. Refurbishing players offer higher prices, better customer experiences, and environmental benefits through device reuse. They also provide data security measures and trade-in incentives. In contrast, scrap dealers offer lower prices, operate through traditional channels that may impact customer experience, and focus on material extraction rather than device recycling. They typically provide minimal data security and no additional benefits beyond cash payment for materials.

| | | Sale to refurbished | Sale to reseller / peer | Scale to scrap dealer |
|---|---|---|---|---|
| Economic | Retail buyers | • Price for iPhone 11 (64 GB) : **Upto INR 15K**<br>• Price for MacBook Air (M1): **Upto INR 45K** | • Price for iPhone 11 (64 GB): **Upto INR 20K**<br>• Price for MacBook Air (M1): **INR 30-50K** | • Price for iPhone 11 (64 GB): **INR 30 – 50**<br>• Price for MacBook Air (M1): **INR 195 - 320** |
| | Corporate buyers | • Bulk purchase offers to optimize pricing for disposal of old inventory | • Largely unorganized market with limited advantages for corporate buyers | • Largely unorganized market with limited advantages for corporate buyers |
| Customer experience | Retail buyers | • Customer-friendly selling experience through online & offline platforms<br>• Trained staff and customer support for purchases<br>• Standardized and fixed pricing | • Peer to peer transactions through organized (OLX, Ebay, CEX, etc) & unorganized aggregators<br>• Ad-hoc selling process and non-fixed pricing | • Scrap dealers operate through unorganized channels<br>• Ad-hoc selling process and non-fixed pricing |
| | Corporate buyers | • Dedicated personnel for large corporates for recurring sales to ease buying process and logistics<br>• Benefits for bulk sale<br>• Standardized products with options to customize as per requirements | • Non-standardized buying process<br>• Ad-hoc selling process and non-fixed pricing | • Non-standardized buying process<br>• Ad-hoc selling process and non-fixed pricing |
| Environment | | • Optimal reuse of electronic devices (longest life post-resale)<br>• Reducing environmental impact of new manufacturing<br>• Incurs environmental impact of refurbishment (emissions due to logistics, refurbishment & resale) | • Reduces impact of new manufacturing<br>• Sub-optimal reuse of electronic devices (shorter post-resale life) | • Devices are not recycled, rather materials are extracted, segregated & sold |
| Data security | | • Guidelines & standard operating procedures to deal with pre-owned devices, maintaining data security | • Limited or no data security measures, risking personal information | • Limited or no data security measures, risking personal information |
| Trade in benefits | | • Brands tie up with refurbishing players to offer discounts when trading a used device for a new one | • Brands tie up with used resellers to offer discounts when trading a used device for a new one | • Usually, no additional benefits beyond cash payment for materials |

## Buy new vs. buy refurbished option analysis – qualitative and commercial factors

Refurbished devices provide up to 40% savings for budget-conscious consumers, with in-house warranties versus brand-specific ones for new devices. While refurbished devices offer comparable performance to new devices, new devices offer the latest technology. Refurbished options reduce e-waste, while new devices increase environmental impact. Availability of refurbished models is limited, whereas new devices are generally more accessible.

| | | Refurbished devices | Used / 'as is' devices | New devices |
|---|---|---|---|---|
| Price | Retail buyers | • Refurbished devices are cheaper than new devices (**~35-50% of new**) & offer value for budget conscious consumers | • Used devices sold 'as is' are cheaper than new devices (~10-25% of new) | • Full market price charged as per specifications |
| | Corporate buyers | • Bulk purchase offers to optimize pricing for disposal of old inventory | • Largely unorganized market with limited advantages for corporate buyers | • Largely unorganized market with limited advantages for corporate buyers |
| Performance & features | | • Performance close to new, as devices are thoroughly tested & restored | • Inferior performance due to prior user's wear & tear not being remedied<br>• Lack of testing and restoration | • Latest technology & features as per brand specifications |
| Warranty & support | | • Refurbishers offer in-house warranty or brand warranty in cases of brand-certified refurbishment | • Warranties and aftersales support offered by select organized resellers<br>• Warranties & support not officially provided by unorganized players | • Manufacturer warranty offered as per brand's terms and conditions |
| Availability | | • Limited selection, specific models not always in stock | • Limited selection, specific models not always available | • Improved availability, however, select models may face limited availability at launch due to high demand |

## Refurbished laptop by Electronics Bazaar provides in line performance with original laptops and desktops at one-third price of new laptop with 1 to 3 year warranty

Refurbished laptops, especially those from established players like Electronics Bazaar, offer performance that aligns closely with new laptops. Unlike used or second-hand laptops, which often have downgraded performance and may lack essential updates, refurbished models come with authorised software, genuine drivers, and reconditioned internal hardware, ensuring they meet original performance levels. Electronics Bazaar's refurbished laptops are typically available at one-third of the price of new devices and are as good as new devices both functionally and aesthetically with one to three years warranty, which further enhances buyer confidence.

| Parameters | | New | Used / Second hand | Refurbished laptop by EB |
|---|---|---|---|---|
| Scratches / Aesthetic | Dents and scratches | • No dents and scratches | • Visible dents, scratches or paint damage | • No dents and scratches |
| | Keyboard / touchpad | • No usage marks | • Smudge or usage marks, letters not visible on keyboard | • No usage marks |
| | Paint | • New paint | • Abrasion on surface, faded paint, paint peel off | • New paint (original standard microns and no abrasion) |
| | Display | • No white patches or keyboard impressions | • White patches on screen, keyboard impressions | • No white patches or keyboard impressions (repaired to original condition) |
| Hardware | PCB chips / internal hardware | • Latest hardware | • No replacement or repair of PCB chips | • Replacement or repair of PCB chips / internal hardware |
| | Keyboard / touchpad | • Functional keyboard & touchpad with fresh look | • Keyboard / touchpad not working, letters not visible | • Functional keyboard and touchpad with fresh look at par with original levels |
| Battery back-up | | • >2 hours | • 0.5-1 hour | • >2 hours |
| Software & drivers | | • New genuine Microsoft Windows and latest drivers | • No reinstallation, OS and drivers are not upto date | • Authorized genuine microsoft windows and latest drivers (out of the box experience) |
| Performance load handling | | • Original performance | • Downgraded performance | • In line with original performance levels |
| Box & packing | | • Original brand packaging with accessories | • No box / packaging might be provided, no accessories | • EB corrugated premium packaging with OEM brand certification, accessories and label |
| Pricing | | • >INR 60K | • 10-25% of new laptop | • 35-50% of new laptop |
| Warranty | | • Min 1 year warranty, additional warranty at extra cost | • No warranty | • Min 1 year warranty, additional warranty at extra cost |

### 3.4.6. Environmental impact of new manufacturing & refurbishing

The environmental footprint of electronic devices is significantly influenced by three primary lifecycle stages: production, usage, and disposal:

- The production process involves the extraction of raw materials such as yttrium, lanthanum, cerium & terbium which are finite in nature, manufacturing, and transportation, all of which contribute to carbon emissions, deforestation, and pollution.
- During the usage phase, energy consumption for powering devices leads to the release of greenhouse gases.
- Improper disposal of electronic waste can result in groundwater contamination and adverse health effects.

Refurbishing devices conserve precious resources by minimizing the need for new materials, which require significant energy to extract and process. This not only lowers energy consumption but also reduces pollution associated with manufacturing. Additionally, refurbishment presents a sustainable alternative by extending the lifespan of devices, reducing emissions, and diverting electronic waste from landfills. For instance, buying a refurbished laptop can help mitigate 250-330 kg of carbon dioxide equivalent emissions whereas buying a new laptop causes an emission of ~1200 kg.

### 3.4.7. Key success factors for a company in this industry

Success in the refurbishment industry hinges on quality and credibility, instilling confidence in customers. Trust is built through reliable support and convenient return policies, while competitive pricing and quick transactions attract buyers. A diverse product range and effective distribution strategies broaden market reach, and strong data security measures enhance customer protection and sustainability, solidifying consumer trust.

| | B2B | B2C |
|---|---|---|
| **Quality assurance & credibility** | • Multi-point quality checks build trust with corporate clients, ensuring the consistent performance of refurbished products across different business operations<br>• Extended warranties (12-14 months) support customer confidence, reducing the risk perception of using refurbished items | • Multi-point quality checks ensure a seamless experience for users<br>• 12-14 months product warranty assures customers of product reliability<br>• Brand certifications instill greater confidence in consumers<br>• First-hand testimonials build credibility and encourage consumers to purchase refurbished electronics |
| **Affordable prices** | • Cost-effectiveness is crucial for corporate procurement, where bulk purchases and leasing options reduce overall expenses for businesses looking to adopt cost-efficient technologies | • Providing high-quality refurbished goods with close to new performance and cosmetics proves to be a strong value proposition to any electronics consumer |
| **Quick transactions** | • Streamlined procurement processes for B2B clients, supported by digital invoicing and bulk transaction solutions, ensure quick and efficient order fulfillment<br>• Customized payment terms offer flexibility, reducing the TAT* for corporate purchases | • Faster payments & quicker transactions promote hassle-free trade and reduce TAT* |
| **Multi distribution channels** | • Utilizing a network of specialized resellers and authorized partners to distribute refurbished electronics to various corporate sectors, enhancing market reach and sales efficiency | • Multiple distribution channels & presence on marketplaces attract a wider customer base and enhance market presence |
| **Geographic reach** | • Designated regional hubs enable consistent supply to local markets, ensuring businesses have access to refurbished products, irrespective of their location<br>• Strategic partnerships for international distribution allow companies to explore and enter global markets | • Geographical expansion into metro cities, along with nationwide or global distribution, enhances value creation and offers limitless trade opportunities |
| **Customer support** | • Designated personnel to manage needs & requirements of large corporate clients | • Seamless customer support services help build reliability and trust in refurbished products<br>• Easy return and exchange policies enable consumer confidence<br>• Pan-India asset inspection and pickup capabilities offer convenience & support at customer's doorstep |
| **Availability of multiple brands & diverse offerings** | • Customization as per client requirements<br>• Rental product availability & bulk purchase options assist large organizations and corporations | • Consumers can browse through a wide range of configurations & models<br>• A wide variety of brands cater to a diverse range of consumers |
| **Comprehensive ITAD** support** | • Secure ITAD** solutions for B2B clients, including certified data wiping and asset recycling, ensure compliance with data security and environmental regulations<br>• On-site and off-site options for data destruction allow corporations to manage their assets without risk of data breaches | • On-site data destruction effectively prevents data breaches and promotes reliability, ensuring customer data protection through secure destruction and wiping processes<br>• Recognized licenses for ITAD** and responsible recycling entrusts eco-conscious customers |

Note(s): *Turn around time; **Information technology asset disposition

### 3.4.8. Key growth drivers for the refurbished electronics industry

The Indian refurbished electronics market is growing due to a multitude of factors such as national sustainability goals, increasing digitization, increasing demand for affordable technology, opportunities for organized players, etc. Key factors have been highlighted below:


**National sustainability goals & government initiatives**

The Government of India articulated the ambitions of developing countries at the 26th session of the Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC), held in Glasgow, United Kingdom. As a part of this commitment, India introduced the five nectar elements (*Panchamrit*) of its climate action plan, three of which play a crucial role in promoting the refurbishment industry. The key highlights of these commitments are:

1. **Reach 500GW non-fossil energy capacity by CY30**
2. **Meet 50% of energy requirements from renewable energy by CY30**
3. **Reduction of carbon emission by 45% by CY30**
4. **Reduce 1B tons of projected carbon emission from CY21 to CY30**
5. **Net zero emission by CY70**

Out of these 5 components, components related to refurbished electronics are:

| | | |
|---|---|---|
|  | **Reduction of carbon emission by 45% by CY30** | • **India's Carbon Intensity Target**: India aims to reduce carbon intensity by 45% by CY30, as part of its COP-26 climate action plan, addressing climate change and promoting sustainable energy<br>• **Impact of Refurbished Electronics:** Promoting refurbished laptops and mobile devices helps extend their lifespan, reducing the need for new manufacturing and lowering carbon emissions, thus supporting sustainability efforts |
|  | **Reduce 1B tons of projected carbon emission from CY21 to CY30** | • **India's Commitment to Reducing Carbon Emissions**: India aims to cut carbon emissions by 1B T by CY30 as part of its COP-26 Panchamrit climate action plan, tackling the challenges associated with its expanding IT sector and dependence on fossil fuels<br>• **Significance of the Refurbishment Sector**: The refurbishment sector is vital for prolonging the lifespan of electronic devices and reducing e-waste. By employing advanced diagnostic tools and automated data erasure techniques, it promotes sustainable practices and plays a key role in helping India achieve its carbon reduction targets. |
|  | **Net zero emission by CY70** | • **India's Net Zero Commitment**: India is committed to achieving net zero emissions by CY70 under the COP-26 Panchamrit climate action plan, addressing the challenges of rising carbon emissions that threaten agriculture, water resources, and public health<br>• **Refurbishment Industry's Role in Sustainability**: The refurbishment industry can leverage initiatives like Make in India and Digital India to promote sustainable practices, such as repairing and reusing electronic devices. By integrating circular economy principles and collaborating with stakeholders, this sector can significantly contribute to India's goal of net zero emissions. |

Additionally, other key government initiatives are as follows:

- **CSR Framework:** The CSR guidelines in India, as per the Department of Public Enterprises, mandate that Public Sector Enterprises (PSEs) allocate at least 2% of their average net profit (calculated over the previous three financial years) towards CSR activities. The guidelines emphasize the adoption of sustainable practices and focus on areas such as sustainability education, healthcare, rural development, skill enhancement, and environmental protection. The sustainability benefits of refurbished electronics make an avenue to channel the CSR-related investments.

- **Right to repair:** Policies like right to repair are gaining momentum in India, with a focus on giving consumers the ability to repair their own products, such as electronics and vehicles, without voiding warranties. The Right to Repair initiative seeks to reduce electronic waste, promote sustainability, and encourage manufacturers to provide spare parts, repair tools, and manuals to consumers and independent repair shops.

**Increasing digitalization and the need for PCs for students and entry-level jobs**

Digitalization refers to the integration of technologies into everyday processes, fundamentally transforming how individuals, businesses, and governments operate. According to the State of India's Digital Economy Report, CY24, by the Indian Council for Research on International Economic Relations (ICRIER) the state of digitization is based on the CHIPS (connect, harness, innovate, protect and sustain) framework. Currently, India is the third largest digitized country based on CHIPS score (39.1%) in the world only after the USA (65.1%) & China (62.3%). In India, where over 60% of the population resides in rural areas, digitalization is crucial for bridging the economic divide and expanding access to opportunities. Key factors driving this rapid digitalization include

- **Digital India program:** Aims to establish robust digital infrastructure, alongside growing broadband penetration, technological advancements, and low data costs.

- **Education:** As per the latest available official data as of FY22, 45.8% of schools had access to computers, reflecting a gradual increase over the past three years; the COVID-19 pandemic has further highlighted the necessity of computers in modern learning environments.

- **Formal sector growth:** The Indian tech industry alone has added ~60K jobs in FY24. This increasing job creation drives demand for PC usage among new entrants to the workforce.

This digitization has had broad positive macroeconomic externalities, key among these are:

- **Empowerment through digital services**: The UMANG app, with over 50 million users, provides access to more than 1,700 government services, streamlining processes for citizens. Similarly, e-Hospital has simplified healthcare access for over 380M registered patients, making essential services more accessible and efficient across the nation.

- **Digital skills & financial inclusion:** The Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDisha) has transformed rural communities by training and certifying over 50M individuals in digital skills, fostering digital literacy. Platforms like Aadhaar, facilitates ~2B authentication transactions per month. UPI facilitated with ~140B transactions in FY24.

Such increased demand from these sectors presents a significant opportunity for the refurbished PC market, catering to those seeking affordable and reliable technology solutions.

**Growing demand for affordable tech products**

India's consumer tech market is on a remarkable growth trajectory, projected to triple in size, reaching ~US$ 400B by FY29. This growth is largely driven by increasing demand for affordable technology, especially in laptops and mobile devices. E-commerce platforms like Amazon and Flipkart have played a crucial role in this transformation, making a diverse range of tech gadgets accessible across various socioeconomic backgrounds and lowering prices for consumers.

Overall, this dynamic ecosystem underscores a significant transformation in India's tech landscape. The convergence of affordability, innovation, and digital accessibility signals a distinct change in consumer behaviour. As more individuals seek reliable and cost-effective technology solutions, the refurbishment industry is poised to grow significantly, catering to the increasing demand for affordable tech products and solidifying India's position as a key player in the global market. Refurbished mobile phones and laptops are 40-50% cheaper than new devices.

**Technological advancements and product cycles of the new products**

The refurbishment industry in India is poised for growth, fuelled by current trends, technological advancements and product cycles. Major smartphone and laptop brands are frequently releasing new models that exhibit only incremental updates rather than significant innovations. For instance, features such as slightly improved camera capabilities or marginally faster processors dominate new launches, while the core technology remains largely unchanged. Driven by social pressure and in a bid to follow the latest trends, consumers feel the need to upgrade their devices frequently, even when the differences are minimal**.** As consumers discard older models to keep up with the latest releases, a substantial opportunity arises for the refurbishment sector. These opportunities are:

- **Competitive prices:** With a large number of discarded devices entering the market, organized refurbishment companies can capitalize on this influx by offering quality-assured refurbished products at competitive prices.

- **Incremental upgrades:** The perception that new models do not represent meaningful upgrades encourages consumers to consider refurbished options as a viable and economical alternative.

- **Environmental concerns:** Environmental concerns are rising, and many individuals are opting for refurbished devices to reduce electronic waste and promote sustainability.

This shift in consumer behaviour aligns perfectly with the objectives of the refurbishment industry, creating a robust market for high-quality refurbished smartphones and laptops.

**Tech advancement in refurbishment technologies, maximizing life post refurbishment**

The refurbishment industry has evolved significantly from its early days of basic diagnostic tools and manual testing, which often led to inconsistent evaluations and consumer uncertainty about product reliability. Today, refurbished technologies include:

- **Diagnostics software:** Sophisticated diagnostic software, provides comprehensive assessments of device health, ensuring consistent quality.

- **Data Security:** Secure data erasure methods, like multi-pass overwriting, guarantee complete removal of personal data, effectively addressing privacy concerns and enhancing overall consumer confidence.

- **Advanced Technology:** Today's technological advancements such as laser-based technology, automated diagnostic tools, and nanotechnology have enabled the creation of innovative solutions that improve efficiency in several key areas including the repair of delicate components & accurate issue diagnosis.

These innovations advance efficiency for collecting used products, facilitating a circular economy, and allowing for:

- **Efficient resource extraction**: The efficient utilization of all valuable resources from used electronics.

- **Remanufactured and refurbished products**: They turn waste into remanufactured and refurbished products, that are innovative, trendy, sustainable, and affordable. Furthermore, advancements in repair technologies, such as precision soldering tools

- **Maximizing lifespan:** By increasing lifespan of refurbished products, promoting sustainability, and reducing electronic waste. These innovations promise to not only improve operational efficiency but also to foster a circular economy, ensuring that refurbished electronics remain a viable and trusted option for consumers seeking quality, affordability, and environmental responsibility.

**Sustainable and eco-friendly consumer preferences**

Sustainability has become a crucial driver of consumer preferences in India. This is highlighted by the fact that ~60% of Indian consumers are actively opting for sustainable products. This can be seen by:

- **Demand for eco-friendly products:** This shift reflects a growing awareness of the relationship between personal health and environmental health. As such, the demand for eco-friendly products is reshaping market dynamics, compelling industries to adapt their strategies to meet this evolving consumer consciousness. A study conducted by the World Economic Forum found that 89% of the largest Indian companies have adopted a sustainability strategy. The rise in sustainable consumer preferences has led to a significant industrial impact in the electronics sector.

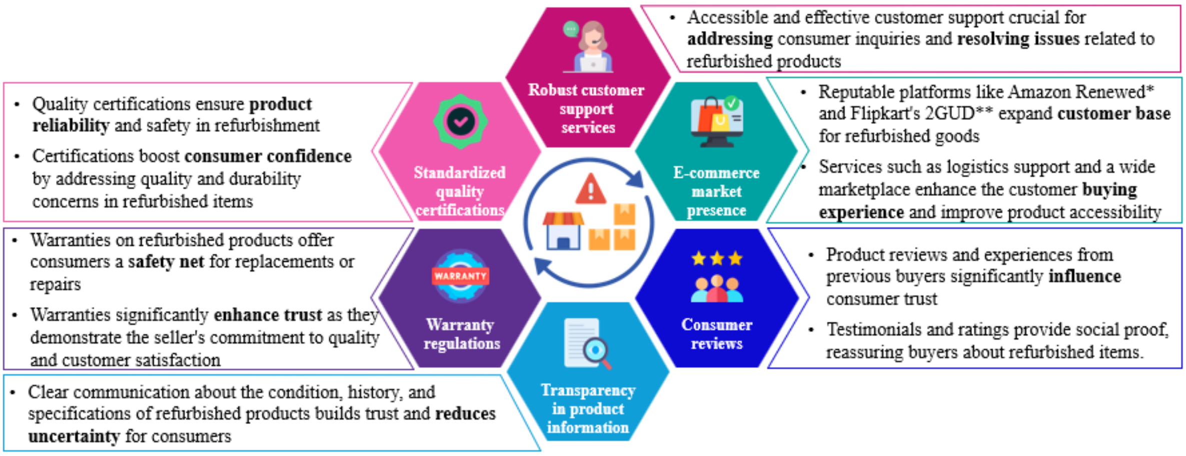
- **Company adoption:** Companies are increasingly adopting green marketing strategies to align with consumer values and stakeholder expectations. This trend is evident as India aims to become a leader in sustainable electronics manufacturing, emphasizing the need for environmentally responsible practices across the supply chain. Green initiatives not only resonate with consumers but also drive operational efficiencies and enhance brand loyalty. In this landscape, the refurbishment industry is uniquely positioned to benefit from sustainable preferences.

- **Changing customer priorities:** Gen Z and millennials, who collectively make up ~51% of India's population, show a notable inclination toward refurbished and recycled products. These consumers prioritize functionality and trends over brand value, and they demonstrate a willingness to pay more for sustainable options. The growing demand for eco-friendly, affordable products positions the refurbishment industry for growth, aligning with India's shift towards sustainability.

**Consumer trust and warranty programs**

Building consumer trust in refurbished products relies on quality certifications, industry standardization and robust warranty programs that reassure buyers about reliability and safety. The development of industry standards for refurbished products has played a crucial role in improving product quality and consistency, ensuring that consumers receive dependable devices that meet recognized benchmarks. Clear communication regarding product condition and accessible customer support further reduce uncertainty. Additionally, reputable platforms and positive reviews enhance the overall buying experience, fostering confidence in the refurbished market.

Features & benefits offered by refurbishers to enhance customer trust




Note(s): *Amazon program to discover and buy unboxed and refurbished products, tested and certified to look and work similar to new, **One-stop all-inclusive platform by Flipkart, offering refurbished gadgets

Additionally, some other key features that are offered by refurbishers to enhance the overall customer purchase experience are:

- Doorstep pick up of electronics for sale
- Doorstep delivery
- On-site installation of operating system and required software
- On-site repairs and support

**Optimizing IT investments for MSMEs / startups operating on lean cost structures**

Micro, Small, and Medium Enterprises (MSMEs) and startups in India face substantial challenges due to the high capital expenditure (capex) required for setting up IT infrastructure. The costs associated with acquiring new laptops and mobile devices can be particularly burdensome for these businesses, which often operate on tight budgets and limited resources.

As the digital landscape evolves, access to reliable technology becomes essential for maintaining competitiveness and operational efficiency. However, the significant financial strain imposed by new IT investments underscores the urgent need for these enterprises to find cost-effective solutions to reduce their overall expenses.

Considering this situation, the refurbishment industry emerges as a primary solution to address these financial challenges. Refurbished laptops and mobile phones offer MSMEs and startups an affordable alternative to purchasing new devices, enabling them to acquire high-quality technology without the high price tag. The refurbishment process ensures that these devices undergo rigorous testing and quality assurance, restoring them to a condition comparable to new products. This not only provides reliability but also instills confidence among businesses that are often hesitant about investing in used technology.

The adoption of refurbished devices is not limited to smaller businesses; large corporations are also increasingly incorporating refurbished products into their operations. For some companies, this practice is even integrated into their Corporate Social Responsibility (CSR) initiatives, as it promotes sustainability by reducing electronic waste and supporting a circular economy.

With the growing acceptance of refurbished products in the market, many MSMEs and startups are now realizing the benefits of these solutions, which not only alleviate financial pressure but also empower them to allocate saved funds toward other critical areas such as talent acquisition, marketing, and product development.

**Promotion of refurbished products by OEMs, including certified refurbisher programs**

Original Equipment Manufacturers (OEMs) play a pivotal role in the refurbishment industry by not only producing high-quality electronics but also by promoting sustainability and reducing environmental impact of refurbished products. As market dynamics shift towards environmentally conscious consumption, OEMs are stepping up their efforts to promote refurbished offerings, which has significantly influenced industry growth. Key initiatives are:

- **Certified refurbishment programs:** Leading brands like HP, Dell, and Lenovo have introduced certified refurbishment programs designed to guarantee the quality and reliability of refurbished products. These certifications frequently extend to refurbishment companies, creating a wider network of trusted vendors.

- **Buyback programs:** OEMs like Apple, Dell, and Samsung use buyback programs to promote refurbished products by encouraging customers to trade in used devices for discounts on new purchases.

- **Establishment of dedicated retail stores:** Notably, top OEMs including HP and Asus are now establishing dedicated retail stores that exclusively sell refurbished laptops and desktops.

- **Official third-party retailers:** This strategy, alongside collaborations with third-party retail partners, allows these companies to reach a wider audience and cater to the growing demand for cost-effective, sustainable technology solutions.

The impact of these initiatives is multifaceted. First and foremost, the promotion of certified refurbished products enhances credibility within the market. Consumers are more likely to trust refurbished items that come with OEM-backed certifications, knowing they meet:

- **Quality assurance:** Certified refurbished programs ensure that minimum quality standards are met during the refurbishment process, assuring the customer of a quality product. This is generally backed by a manufacturer warranty.

- **Quality control:** This trust is further bolstered by the emphasis on quality control during the refurbishment process, which significantly enhances the overall user experience.

- **Availability of warranty:** The assurance of warranty plays a vital role in making the purchase of refurbished goods from an official retailer

- **Better retail experience:** The promotion of refurbished products by OEMs has enabled the customers to avail best-in-class retail experience previously only associated with new products.

Furthermore, the collaboration between OEMs and certified refurbishment companies fosters a more responsive industry, allowing for rapid adaptation to consumer needs and preferences. This partnership also ensures a steady supply of refurbished devices, supporting continuous procurement and maintaining consistent availability of high-quality, affordable technology solutions.

**First-mover advantage for organized players**

The refurbishment industry in India is predominantly unorganized, creating significant opportunities for organized players. A major factor contributing to this unorganized nature is the lack of infrastructure necessary for effective refurbishment. For example, the scarcity of specialized tools and dedicated refurbishment centres, along with limited availability of high-quality components, complicates the refurbishment process.

However, organized players can leverage advanced technologies and quality assurance processes to differentiate themselves, effectively addressing these challenges and capitalize on market's potential. By adeptly navigating logistical and supply challenges related to high-quality components, organized players are better positioned for growth.

For instance, many new-age organised startups can curate high-quality refurbished devices through dedicated & standardized processes. The devices not only enhance consumer confidence but also expand the market for refurbished goods among organised players, paving the way for future growth in the industry. Organized players benefit from strong procurement networks, allowing them to absorb large quantities of components and devices. This capability translates into competitive pricing, enabling them to offer better prices to consumers. Their sales network ensures a stable supply, a large SKU range, and competitive pricing, further solidifying their market position.

Moreover, these players invest in building credibility with customers through consistent quality, warranties, and dedicated customer support. Additionally, the availability of trained manpower is essential for ensuring the efficient refurbishment of devices, making workforce development a priority for organized companies aiming to establish a strong foothold in this market.

First-mover advantages for organised players are therefore crucial in this context, as these organised players, due to quality offerings, can leverage significant benefits such as enhanced trust; customer loyalty & brand recognition. A strong reputation for quality fosters repeat business and positions these players to capture market share ahead of competitors. While the refurbished electronics sector faces barriers—like a lack of necessary infrastructure, scarcity of high-quality components, and high reliance on imports—the initial trust built by first movers is difficult for later entrants to replicate.

All such factors culminate to foster repeat business; and the ability to capture market share early on. In the present day, refurbished electronics sector faces multiple barriers to entry such as lack of necessary infrastructure (tools & centres), scarcity of high-quality components & high reliance on imports.

### 3.4.9. Indian government initiatives and efforts to promote refurbishment

The Indian government is actively promoting the refurbishment industry as part of its sustainability and economic development goals which reflect the government's commitment to supporting a robust refurbishment sector that contributes to environmental conservation and economic resilience.

**Extended Producer Responsibility (EPR)**

Extended Producer Responsibility (EPR) is a regulatory framework that holds producers accountable for the entire lifecycle of their products, from design to disposal. This principle mandates that manufacturers manage the collection, recycling, and environmentally sound disposal of their products, thereby minimizing their environmental impact.

In India, EPR has been specifically implemented for the management of electronic waste (e-waste). Producers of electrical and electronic equipment must apply for a registration certificate and set recycling targets through the e-waste EPR portal managed by the Central Pollution Control Board (CPCB). This online system requires all stakeholders—including producers, recyclers, refurbishers, and manufacturers—to register and report their activities, ensuring compliance with e-waste management guidelines.

EPR facilitates refurbishers by creating a structured environment for collecting e-waste and promoting the recycling of components. By registering on the EPR portal, refurbishers can collaborate with authorised recyclers, gaining access to a steady stream of materials for refurbishment. This not only supports their operations but also enhances their credibility by ensuring adherence to regulatory standards.

**Implementation Guidelines for E-Waste (Management) Rules in India** set specific targets for the collection of e-waste by producers. According to these guidelines:

- Producers are required to collect a specified percentage of the quantity of waste generated by their products sold in the market during a certain timeframe
- The guidelines outline a phased approach to achieving these targets, starting with **10% collection in the first year**, progressively increasing to **40% by the seventh year**
- This progressive scaling helps producers build the necessary infrastructure and implement systems for effective e-waste collection over time

Target-based approach for implementation of extended producer responsibility ("EPR") has been adopted in the E-Waste (Management) Rules, 2022, which stipulate phase-wise collection target to producers for the collection of e-waste, either in number or weight, which shall be 60% of the estimated quantity of waste generation during FY23-24 and FY24-25, followed by 70% during FY25-26 and FY26-27, 80% during FY27-28. This progressive approach aims to steadily improve recycling rates and foster sustainable practices in e-waste management.

Overall, EPR bolsters the refurbishment industry by promoting sustainable practices and encouraging innovation in product design. By mandating that producers manage the lifecycle of their products, EPR ensures a reliable supply of end-of-life electronics, which refurbishers can acquire for processing. This regulation not only facilitates easier access to quality components for refurbishment but also enables refurbishers to meet regulatory compliance, enhancing their credibility in the market. Moreover, by making producers responsible for their products' end-of-life management, EPR helps create a circular economy where resources are reused and recycled. This approach not only reduces environmental impact but also fosters economic growth within the refurbishment sector, contributing to job creation and industry resilience.

**National Resource Efficiency Policy (NREP)**

The draft National Resource Efficiency Policy (NREP) aims for environmentally sustainable growth and resource security. The NREP encourages a resource-efficient and circular economy, allowing industries to create higher value with less material, thereby reducing costs and enhancing resource productivity. The policy also emphasizes a lifecycle approach to resource management, urging businesses to consider the environmental and economic impacts of products at all stages—from raw material extraction to disposal. This perspective fosters innovation and competitiveness, particularly for refurbishing companies.

In conjunction with the NREP, the Corporate Social Responsibility (CSR) policy and relevant laws support sustainable practices by mandating companies to allocate a portion of their profits towards social and environmental initiatives. This alignment encourages businesses to adopt resource-efficient practices and invest in refurbishing efforts, further enhancing their contribution to a circular economy. The existing framework not only promotes compliance but also incentivizes industries to explore innovative solutions for waste reduction and resource optimization, reinforcing the importance of sustainability across sectors.

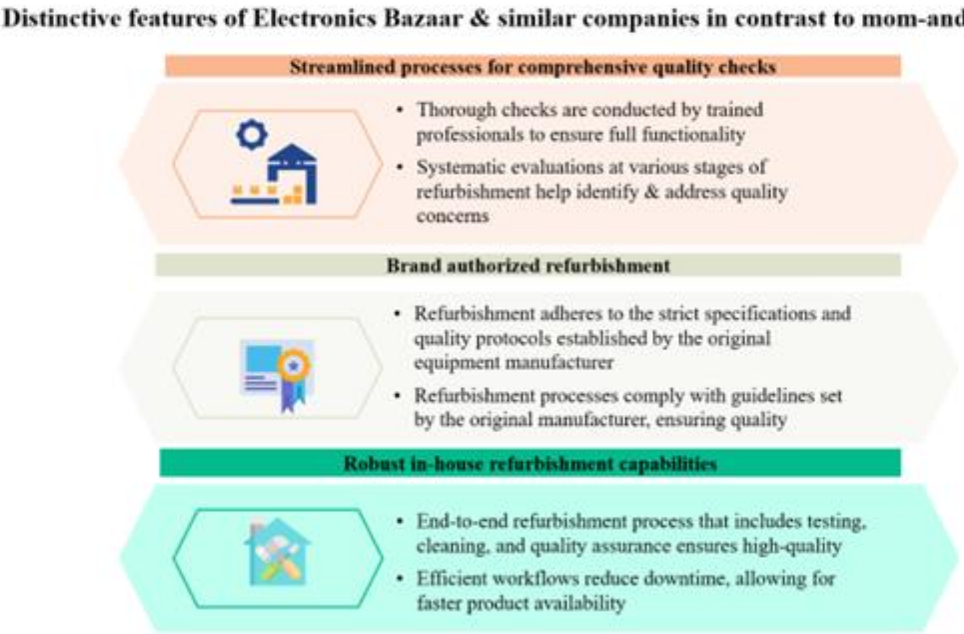
**Right to Repair in India**

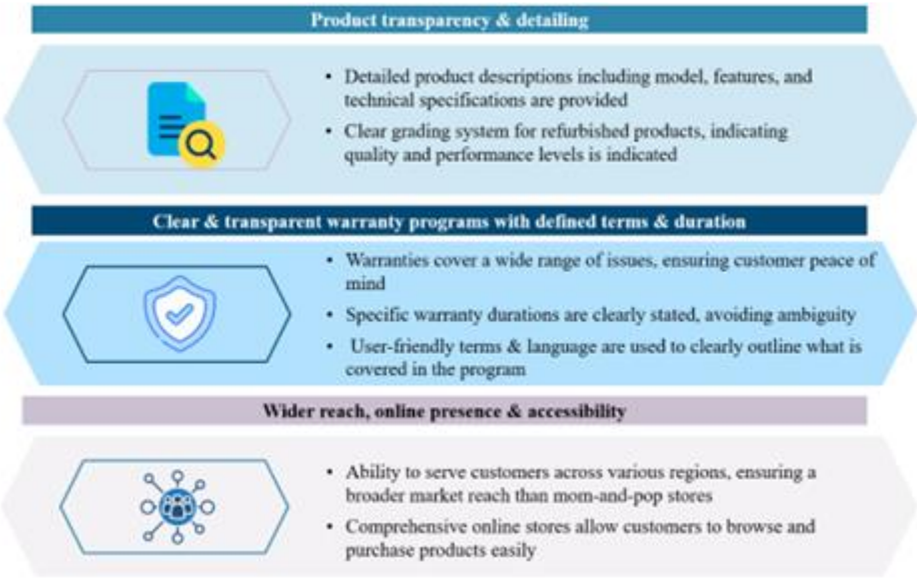
The Ministry of Corporate Affairs is currently in the process of creating a Right to repair framework that aims to provide all customers with the option to repair their electronic products at an optimal cost, as opposed to buying new products. Under this framework, it would be mandatory for manufacturers to share their product details with customers to allow for repair by themselves or by third parties. Mobile phones, tablets and consumer durables are some key sectors in focus for the framework. Various notable brands such as Samsung, Boat, HP, LG, Oppo, Lenovo, Real Me, Apple, Acer, Xiaomi, OnePlus, Sony and Dell have registered with the MCA in support of the framework.

### 3.4.10. Value addition / differentiation of organized players vs mom-and-pop stores

Electronics Bazaar and similar players stand out from mom-and-pop stores by offering detailed product descriptions, a clear grading system, and thorough assessments conducted by trained professionals. Their commitment to quality is reinforced by warranties with transparent terms, strict adherence to manufacturer standards, and an efficient end-to-end refurbishment process. Additionally, comprehensive online platforms and regional service capabilities enhance accessibility and streamline the buying experience for customers.

Several companies in India include refurbishment in their CSR efforts to promote sustainability and community development. **HP India** donates refurbished computers to schools and non-profits, enhancing digital access. **Dell India** collaborates with NGOs to refurbish and distribute computers, supporting digital literacy. **Wipro** incorporates refurbishment in its Earthian program to encourage recycling and reuse, while **Infosys** engages in e-waste management projects that include refurbishing devices. These efforts help bridge the digital divide and promote responsible consumption.






## 4.1 Company overview

Electronics Bazaar specializes in refurbishing electronic devices like laptops, desktops, and premium smartphones, offering high-quality products at affordable prices. Expanding further, it established operations in Dubai and the USA continuing to make strides in the global market. The used and refurbished laptop markets in key geographies such as India, USA and Europe are undergoing a significant shift towards organized players. However, even the organised market remains fragmented with no player occupying >5% of the market and a large number of small-scale outlets with limited reach and refurbishment capacity

Electronics Bazaar is unique in the industry for its presence across the full value chain. Each of its facilities is equipped with extensive refurbishing capabilities which include not only screening and parts repair (L1 and L2 activities) but also motherboard repairs (L3 activities) along with laser keyboard reprinting, paint, fabrication and cosmetic work. Electronics Bazaar is amongst a few companies globally specialising in LCD repairs including repolarisation and light guide plate (LGP) correction. Additionally, the dispatch area, receiving zone, and QC division guarantee rigorous quality control. The packing department prepares devices for shipment, while the sales and operations teams distribute refurbished products to various distributors across cities, enhancing customer confidence with a 1 to 3 years warranty. Operating from a state-of-the-art facility spanning 58,127.82 Sq. Ft. across India, UAE, and the USA, which gives Electronics Bazaar the flexibility to scale and meet growing market demands efficiently and effectively access ~70% of global GDP from these strategic locations. Electronics Bazaar's facility in the USA serves North and South America, while its UAE facility provides access to Europe, the Middle East, Africa, and the Asia-Pacific regions. Electronics Bazaar has one of the largest facilities among Indian ICT refurbishes, with a high-level of integration. Each refurbished device is sold with a 1 to 3 years warranty, offering customers confidence in the product's reliability and durability.

The company holds certifications as Microsoft Authorised Refurbisher and complies with environmental standards set by the Maharashtra Pollution Control Board and the Central Pollution Control Board. The company follows a rigorous refurbishing process, from initial product screening and grading to post-repair quality checks, ensuring every unit meets world-class standards. Additionally, the company also holds key certifications, including the prestigious R2V3 certification—recognized as the highest standard in responsible recycling—along with various ISO certifications, further reinforcing its commitment to quality and sustainability.

Electronics Bazaar is actively promoting reuse of devices by consolidating and standardizing the unorganized refurbished ICT device market. As a government-certified refurbisher, the company stands out for its commitment to sustainability and quality. Electronics Bazaar's EPR (Extended Producer Responsibility) certificate, issued by the Central Pollution Control Board (CPCB), along with the Consent to Operate from the Maharashtra Pollution Control Board (MPCB), reinforces its dedication to environmentally responsible operations. By actively pursuing ESG compliance, Electronics Bazaar not only mitigates environmental impact but is also in a position to capitalize on evolving business opportunities. Markets such as Europe, provide incentives and benefits to companies that prioritize ESG standards. Electronics Bazaar serves as an IT asset disposition ("ITAD") partner for leasing companies, IT consulting companies and banks as they meet their sustainability and data privacy requirements, thus the company enjoys a strong procurement advantage, underpinned by its mature relationships with OEMs such as HP, and Lenovo, enabling direct procurement from these leading brands. The company's multi-channel procurement strategy extends to partnerships with corporates, recyclers, leasing companies, brokers, and other institutes, further strengthened by its multi-geography procurement network that spans the Americas, EMEA, and India. This robust structure allows Electronics Bazaar to refurbish used condition IT assets to A-grade cosmetically and functionally.

Electronics Bazaar uses multiple check points and meets quality standards with world class SOPs. These include measures such as software reinstallation, reset settings, small part replacement, PCB chip repair level. It goes an extra mile by focusing on data sanitization / data security using both soft and hard erasures. It uses data erasure measures like NIST SAS, etc, drive degaussing, and hard drive shredding. It executes data sanitization procedures on all devices in strict accordance with R2 V3. It has ISO 27001 certification, an international standard for information security management systems, solidifying its commitment towards proper data sanitization and integrity. Devices refurbished by Electronics Bazaar sells at a premium compared to other players in the industry due to superior quality of product and Electronics Bazaar's ability to provide proven and reliable warranty solutions. Electronics Bazaar's comprehensive process of refurbishment of ICT devices such as laptops, desktops, tablets, servers, premium smartphones, mobile workstations and accessories ensures that such devices are similar to new, in terms of both performance and aesthetics, and able to offer laptops at one-third price of new devices and other devices like desktops, tablets, servers, premium smartphones, mobile workstations and accessories at 35-50% price of new devices.

The company's transformational advantage lies in its ability to build trust with stakeholders through a 1 to 3 years warranty, making it a trusted brand for resale channel partners, large format retailers (LFRs), marketplaces, and distributors. It also offers best-in-class service, with a device customization facility for 'configuration to order' and strong after-sales support.

Through its website and online marketplace, Electronics Bazaar offers budget-conscious MSMEs and startups the opportunity to optimize their IT investments by purchasing high-quality, Microsoft Authorised Refurbished ICT device. Electronics Bazaar is India's largest Microsoft Authorised Refurbisher, in terms of refurbishing capability as of FY24. These products not only reduce capital expenditure but also offer savings on hardware and software licenses. As one of the top brands in the refurbished PC space, the company ensures that customers have access to reliable refurbished products, all backed by comprehensive warranties, at affordable prices.

In addressing concerns such as lack of transparency, quality assurance, and the uncertainty surrounding a gadget's authenticity, Electronics Bazaar provides an easy-to-scale solution. With its emphasis on transparency and quality, the company continues to set industry standards while making refurbished electronics a smart, sustainable choice for businesses and individuals alike.

Electronics Bazaar's business model revolves around sourcing used products from corporates, banks, leasing companies, and OEMs, which are then sold through multiple channels, including a robust online platform, over multiple retail partners, and services & fintech solutions. The company provides additional services such as warranties, onsite installation, leasing options, and assured buyback. Electronics Bazaar is India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT devices overall both globally and in India in terms of value as of 31st March 2024. Electronics Bazaar's refurbished laptops are typically available at one-third of the price of new devices.

| Price comparison - In India | | | | | |
|---|---|---|---|---|---|
| S.No. | Model | Price offered by Electronics Bazaar (in INR) | Price of New Product (in INR) | Savings (INR) | Savings (%) |
| 1 | Dell Latitude 7490 - Core i5 8th / 8GB/512 GB SSD/ 14" | 23,250 | 85,000 | 61,750 | 73% |
| 2 | HP EliteBook 840 G5 - Core i5 8th / 8GB/512 GB SSD/ 14" | 26,900 | 103,000 | 76,100 | 74% |
| 3 | Lenovo Thinkpad T 480 - Core i5 8th / 8GB / 512 GB SSD/ 14" | 22,500 | 92,000 | 69,500 | 76% |
| 4 | Dell 7310 (2 in 1) - Core i7 10th / 16 GB / 512 GB SSD/ 14" | 35,000 | 1,65,000 | 1,30,800 | 79% |
| 5 | HP ProBook 440 G5 - Core i5 8th / 8 GB / 512 GB SSD/ 14" | 20,000 | 59,000 | 39,000 | 66% |

Source(s): 1Lattice analysis

| Price comparison - Outside India | | | | | |
|---|---|---|---|---|---|
| S.No. | Model | Price Offered by Electronics Bazaar (in US $) | Price of New Product (in US $) | Savings (US $) | Savings (%) |
| 1 | HP EliteBook 840 G7 Intel i7 10610Y 16GB RAM, 512GB SSD Win 11 Pro | 353 | 1069 | 716 | 67% |
| 2 | Dell 5420 14 Core i7-1185G7 16GB RAM, 512GB SSD, W10 Pro (Renewed) | 302 | 999 | 697 | 70% |
| 3 | Lenovo 14" Thnikpad T14 Gen i7 -10610U 16GB 512GB SSD W11 Pro (Renewed) | 360 | 1,200 | 840 | 70% |
| 4 | Apple MacBook Air 2020 13.3-inch i5, 8GB RAM, 512GB | 404 | 1,300 | 896 | 69% |

Source(s): As of Sep 30th 2024, on various onlinemarket places and www.electronicsbazaar.com

## 4.2 Operational benchmarking

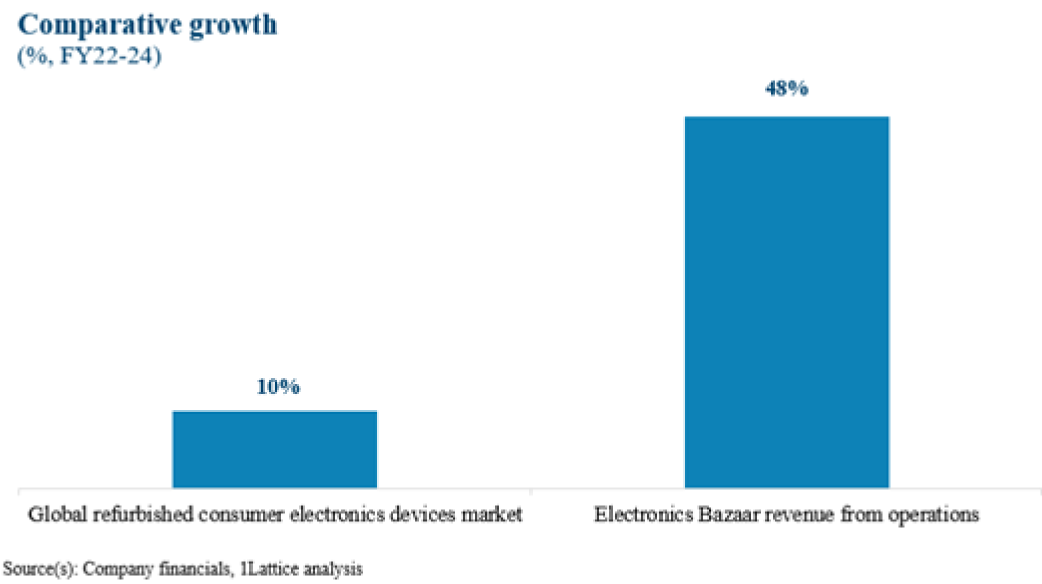
Electronics Bazaar operates in the refurbishment of all three – phone, laptop and desktop, with its sales presence across both offline and online channels. It has the widest presence, when compared to its peers, that spread across 35 countries. Electronics Bazaar is one of the few companies i.e. pioneered the concept of warranty for the refurbished ICT Devices to provide comfort and trust to customers and are still industry leading the warranty terms.

| | | Electronics Bazaar | NewJaisa | musicMagpie | Close the Loop |
|---|---|---|---|---|---|
| | **Foundation date** | 2006 | 2020 | 2007 | 2001 |
| | **Headquarters** | India | India | UK | Australia |
| **Products** | **Phone refurbishment** | ✓ | ✗ | ✓ | ✗ |
| | **Laptop refurbishment** | ✓ | ✓ | ✗ | ✓ |
| | **Desktop refurbishment** | ✓ | ✓ | ✓ | ✓ |
| **Sales channel** | **Online** | ✓ | ✓ | ✓ | ✗ |
| | **Offline** | ✓ | ✓ | ✗ | ✓ |
| **Scale** | **International presence** | 35 countries | ✗ | ✓ | ✓ |
| | **Certified authorised refurbisher** | • Govt. certified refurbisher<br>• Microsoft Authorised refurbisher | NA | ✗ | ✗ |
| | **Employee count** | 1,100+ | 400+ | NA | NA |
| | **Facility size** | ~58K sq ft | 50K sq ft | NA | NA |
| **Manufacturing facility** | **India** | ✓ | ✓ | ✗ | ✗ |
| | **Middle East** | ✓ | ✗ | ✗ | ✗ |
| | **USA** | ✓ | ✗ | ✓ | ✓ |
| | **Others** | NA | ✗ | UK | Australia, South Africa |
| **Manufacturing Capabilities** | **Level of integration of manufacturing facility** | High | High | Low | Low |
| | **Painting Capabilities** | ✓ | ✓ | ✗ | ✗ |
| | **LCD repair capabilities** | ✓ | ✓ | ✗ | ✗ |
| | **Software / data cleaning** | ✓ | ✓ | ✓ | ✗ |
| | **Customized & tailor-made solutions for corporates** | ✓ | ✓ | ✗ | ✓ |
| | **R2V3 certification** | ✓ | ✗ | ✗ | ✓ |
| | **EHS & Quality Certifications** | • ISO 9001 : 2015<br>• ISO 14001 : 2015<br>• ISO 45001 : 2018<br>• ISO 27001 : 2022 | • ISO 9001 : 2015<br>• ISO 14001 : 2015<br>• ISO 45001 : 2018 | NA | • ISO 9001 : 2015<br>• ISO 14001 : 2015<br>• ISO 45001 : 2018 |
| | **Warranty offered** | • 1 to 3 years warranty available | • 1 to 2 years warranty available | • 1 year warranty | NA |
| | **Other services** | • Assured Buyback<br>• End-to-end ITAD services which include e-waste disposal, on-site data destruction, packaging and collection<br>• Leasing of refurbished devices | • Lifetime buyback<br>• Quick Heal secured | • 14-day money back guarantee<br>• Secure courier collection service<br>• Fast Same Day Payment<br>• Upto 45 day return | • Safe and secure destruction<br>• Collection & packaging<br>• Cartridge, battery, cosmetics & soft plastics recycling |

| ✗ | ✓ |
|---|---|
| No or limited presence | Presence |

## 4.3 Financial benchmarking:

From FY22-24 while global refurbished consumer electronics devices market grew at 10% whereas Electronics Bazaar revenue from operations increased at a CAGR of 48%.




| Parameters | Company | FY22 | FY23 | FY24 | H1FY25 |
|---|---|---|---|---|---|
| **Revenue from operations (INR M)** | Electronics Bazaar | 5,204.95 | 6,595.42 | 11,381.38 | 6,079.62 |
| | New Jaisa | 279.19 | 445.30 | 617.32 | 337.23 |
| | Close the Loop^ | 6,264.47 | 12,142.17 | 19,022.62 | NA |
| | MusicMagpie^^ | 12,883.37 | 12,857.97 | 12,089.92 | 4,763.09 |
| | | | | | |
| **Gross margin (%)** | Electronics Bazaar | 11.84% | 15.34% | 12.31% | 16.88% |
| | New Jaisa | 31.69% | 43.40% | 46.67% | 44.62% |
| | Close the Loop^ | 29.99% | 35.01% | 37.59% | NA |
| | MusicMagpie^^ | 30.40% | 26.30% | 27.70% | 29.07% |
| | | | | | |
| **EBITDA (INR M)** | Electronics Bazaar | 346.70 | 500.40 | 849.04 | 633.69 |
| | New Jaisa | 30.18 | 87.39 | 89.38 | 52.05 |
| | Close the Loop^ | 638.49 | 2,026.67 | 4,132.49 | NA |
| | MusicMagpie^^ | -907.00 | 466.95 | 318.09 | 159.93 |
| | | | | | |
| **EBITDA (%)** | Electronics Bazaar | 6.66% | 7.59% | 7.46% | 10.42% |
| | New Jaisa | 10.81% | 19.62% | 14.48% | 15.44% |
| | Close the Loop^ | 10.19% | 16.69% | 21.72% | NA |
| | MusicMagpie^^ | -7.04% | 3.63% | 2.63% | 3.36% |
| | | | | | |
| **PAT (INR M)** | Electronics Bazaar | 217.70 | 324.28 | 523.05 | 352.12 |
| | New Jaisa | 18.02 | 67.36 | 63.18 | 33.93 |
| | Close the Loop^ | 410.71 | 1,093.15 | 997.39 | NA |
| | MusicMagpie^^ | -1,073.13 | -419.07 | -606.53 | -255.96 |
| | | | | | |
| **PAT (%)** | Electronics Bazaar | 4.18% | 4.92% | 4.60% | 5.79% |
| | New Jaisa | 6.45% | 15.13% | 10.23% | 10.06% |
| | Close the Loop^ | 6.56% | 9.00% | 5.24% | NA |
| | MusicMagpie^^ | -8.33% | -3.26% | -5.02% | -5.37% |
| | | | | | |
| **ROE* (%)** | Electronics Bazaar | 27.36% | 28.97% | 31.96% | 17.76% |
| | New Jaisa | 70.78% | 72.42% | 11.44% | 3.84% |
| | Close the Loop^ | 8.64% | 9.86% | 7.89% | NA |
| | MusicMagpie^^ | -49.93% | -24.23% | -55.82% | -30.84% |
| | | | | | |
| **ROCE** (%)** | Electronics Bazaar | 18.06% | 17.91% | 16.72% | 8.43% |
| | New Jaisa | 68.58% | 51.98% | 13.26% | 4.14% |
| | Close the Loop^ | 6.19% | 12.06% | 15.79% | NA |
| | MusicMagpie^^ | -54.85% | -2.53% | -36.72% | -6.45% |

*Note(s):*
*Gross Margin%= Gross margin / Revenue from operations; Gross margin = Revenue from operations – Cost of materials consumed, Purchases of Stock In Trade and Changes in inventories of finished goods and work-in-progress*
*EBITDA = Restated Profit Before Tax (before exceptional items) + Finance Cost + Depreciation and Amortization*
*EBITDA Margin = EBITDA / Revenue from operations*
*PAT Margin = PAT / Revenue from operations*

*ROE = PAT attributable to owners of company / Shareholders Equity; *ROE for H1FY25 is not annualized*
*ROCE = EBIT / Capital employed; EBIT = EBITDA - Depreciation and Amortization and impairment of goodwill, Capital employed = total equity + borrowings + current maturities of long term borrowings; **ROCE for H1FY25 is not annualized*
*^Close the loop financials are June end basis instead of March end basis*
*^^MusicMagpie financials indicated are calendar year basis*

### 4.4 Key threats and challenges to the refurbishment industry

- **Varied quality and standards:** The refurbishment industry lacks uniform standards, leading to significant discrepancies in product quality and performance across different providers.

- **Technological obsolescence:** Rapid advancements in semiconductor technology and new chip architectures can render refurbished devices obsolete, as older models might have limitation in their functionality and market appeal.

- **Lack of awareness:** A substantial number of consumers are unfamiliar with the advantages of refurbished products, such as lower costs and reduced environmental impact, which hinder market growth.

- **Consumer trust:** Establishing trust in refurbished electronics is vital, as customers often worry about hidden defects and the overall longevity of these products.

- **Data security:** Implementing effective data erasure processes is a major challenge in the refurbished electronics industry, as inadequate removal of previous user data can lead to serious privacy risks and diminish consumer confidence in selling laptops to refurbished players.

- **Limited warranty:** Refurbished products typically come with shorter warranties than new items, which can lead to hesitance among consumers concerned about potential future repair costs.

- **Perception of inferiority and consumer mistrust:** The belief that refurbished products are subpar fosters skepticism about their reliability and durability compared to new models, requiring targeted marketing to educate consumers and build trust in refurbished electronics.

## OUR BUSINESS

*Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis and references to our "Company" refers to GNG Electronics Limited on a standalone basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 112, 229 and 295, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 for definition of certain terms used in this section.*

*Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 25 for a discussion of certain risks that may affect our business, financial condition, or results of operations and the "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 229 and 295, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For details, please see "Restated Consolidated Financial Information" on page 229. The Restated Consolidated Financial Information is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.*

*Industry and market data used in this section have been extracted from the 1Lattice Report, which has been exclusively commissioned and paid for by our Company in connection with the Offer, for the purposes of confirming our understanding of the industry in which we operate. 1Lattice Report is not, and has not in the past, been engaged or interested in the formation, or promotion, or management, of our Company. Further, it is an independent agency and neither our Company, nor our Directors, Promoters, Key Managerial Personnel, Senior Management, and Subsidiaries, nor the BRLMs are a related party to 1Lattice Report as per the definition of "related party" under the Companies Act, 2013. The 1Lattice Report will be available on the website of our Company at https://www.electronicsbazaar.com/investor from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date and has also been included in "Material Contracts and Documents for Inspection – Material Documents" on page 395. The data included herein includes excerpts from the 1Lattice Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the 1Lattice Report and included herein with respect to any particular year, refers to such information for the relevant Financial Year.*

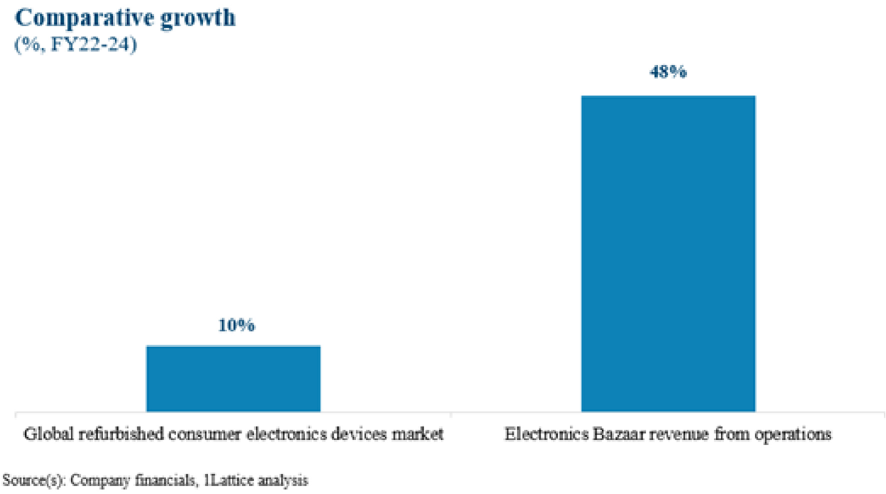
*For further details and risks in relation to the 1Lattice Report, see "Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the 1Lattice Report which has been prepared exclusively for the Offer and commissioned by our Company and paid for by our Company exclusively in connection with the Offer, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 49.*

### Overview

We are India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa and UAE, in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). We follow a repair-over-replacement approach, which provides cost advantages and helps achieve true sustainability by reducing carbon footprint.

We are India's largest Microsoft Authorised Refurbisher, in terms of refurbishing capability, as of Fiscal 2024 (*Source: 1Lattice Report*). We are also the IT asset disposal partner for India's second – largest software company, in terms of market capitalisation as of Calendar Year 2024, procuring their used IT assets (*Source: 1Lattice Report*).

The global refurbished personal computer market grew from US$ 9.7 billion in CY18 to US$ 14.4 billion in CY23, reflecting an 8% CAGR, and is projected to reach US$ 38.3 billion by CY28, at 22%. Similarly, the Indian refurbished PC market grew from US$ 0.2 billion in FY19 to US$ 0.8 billion in FY24, showing a 27% CAGR, and is expected to reach US$ 3.3 billion by FY29, at a CAGR of 33%. A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. In India, the organized market share grew from approximately 5% in FY19 to 11% in FY24, with a robust CAGR of 33%. This share is projected to further expand to 32% by FY29, at an impressive CAGR of 42%. Set below is a chart the comparative growth of our Company and global refurbished customers electronics device market (*Source: 1Lattice Report*).




(*Source: 1Lattice Report*)

We operate under the brand "*Electronics Bazaar*", with presence across the full refurbishment value chain *i.e.*, from sourcing to refurbishment to sales, to after – sale services and providing warranty. We solve customers' requirement of affordable, reliable and premium ICT Devices which are as good as new devices, both functionally and aesthetically, and are backed by proven warranty. We also provide tailor – made solutions for our customers. Our comprehensive process of refurbishment of ICT Devices such as laptops, desktops, tablets, servers, premium smartphones, mobile workstations and accessories ensures that such devices are similar to new in terms of both performance and aesthetics, and able to offer laptops at one-third price of new devices and other devices like desktops, tablets, servers, premium smart phones, mobile workstations and accessories at 35-50% price of new devices (*Source: 1Lattice Report*). We are one of the few companies which pioneered the concept of warranty for the refurbished ICT Devices to provide comfort and trust to our customers and are still offering industry leading warranty terms (*Source: 1Lattice Report*). The ICT Devices refurbished by us sell at a premium to other player in the industry due to superior quality of products and our ability to provide proven and reliable warranty solutions (*Source: 1Lattice Report*).

Set forth below is the data in relation to revenue contribution from our ICT Devices for the years/period indicated:

| **Particulars** | **As of six months period ended September 30, 2024** | | **Fiscal 2024** | | **Fiscal 2023** | | **Fiscal 2022** | |
|---|---|---|---|---|---|---|---|---|
| | **Amount** | **Percentage of revenue from operations** | **Amount** | **Percentage of revenue from operation** | **Amount** | **Percentage of revenue from operations** | **Amount** | **Percentage of revenue from operations** |
| | ***(₹ million)*** | ***(%)*** | ***(₹ million)*** | ***(%)*** | ***(₹ million)*** | ***(%)*** | ***(₹ million)*** | ***(%)*** |
| Revenue from sale of laptops | 4,595.38 | 75.59 | 7,724.16 | 67.87 | 5,274.58 | 79.97 | 4,638.83 | 89.12 |
| Revenue from others* | 1,484.24 | 24.41 | 3,657.22 | 32.13 | 1,320.84 | 20.03 | 566.12 | 10.88 |
| **Total revenue from operations** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **6,595.42** | **100.00** | **5,204.95** | **100.00** |

**Includes desktops, tablets, servers, premium smart phones, mobile workstations and accessories.*

We are also a certified refurbishment partner with Lenovo and HP, which are top two global brands, in terms of market share of 24% and 21%, respectively, as of CY 2023 (*Source: 1Lattice Report*). Additionally, we serve as IT asset disposition ("**ITAD**") partners for leasing companies, IT consulting companies and banks as we meet their sustainability and data privacy requirements.

We offer other value – added services such as ITAD and e – waste management services, warranties, doorstep service, on–site installation, flexible pay options, easy upgrades, assured buyback programmes and buyback programmes for refurbished ICT Devices. We provide tailored buyback solutions for laptops and desktops to help large format retail stores such as Vijay Sales (India) Private Limited ("**Vijay Sales**") and OEM brand stores such as HP India Sales Private Limited ("**HP**") and Lenovo Global Technology (India) Private Limited ("**Lenovo**") to run efficient, customer – friendly buyback programs facilitating sale of new devices. We also offer other categories of ICT Devices such as open – box and brand new ICT Devices, providing customers with a range of options that cater to different needs and budgets. In addition, we also offer ICT Devices customised to the customer specifications and requirements. Moreover, we offer a wide range of stock keeping units ("**SKUs**") and as of September 30, 2024, our portfolio included 4,996 SKUs.

We have sales network with our refurbished ICT Devices being sold in 35 countries as of September 30, 2024. Our sales network comprises 3,265 touchpoints, in India and globally, as of September 30, 2024. These touchpoints include sale of ICT Devices through IT Solutions Providers/ Value Added Resellers, System Integrators, E-Tailers, Rental and Leasing Companies and Distributors/Aggregators. We even supply to global refurbishment companies including US based companies such as Joy Systems Inc, HUBX LLC, PlanITROI LLC, and Europe based companies such as PhoenixRM Ltd (Trading as GreenIT), ATX Computers Group, who procure from us on account of our quality, skill set and cost advantages. Additionally in India, among other prominent names, we supply to HP India Sales Private Limited, Lenovo Global Technology (India) Private Limited and Vijay Sales (India) Private Limited.

Set forth below is the data in relation to the growth of our customers for the years/period indicated:

| **Particulars** | **As of six months period ended September 30, 2024** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|---|
| Number of customers | 3,265 | 3,252 | 1,833 | 1,263 |

Similarly, we have a multi – channel global procurement network of 447 suppliers supported by an extensive procurement network in India and across the globe. Our procurement network comprises corporates, consulting companies, intermediaries, recyclers, refurbishment partners, educational institutes, leasing companies, NBFCs, large format retail stores and OEM brand stores, as of September 30, 2024. As refurbishers, we also enable HP and Lenovo for their assets/devices recovery services which they offer to their corporate customers which also helps them enable sale of new devices. Our procurement partners, among other prominent names, include USA based Iron Mountain and Apto Solutions Inc; Australia based Green Box Group Pty Ltd and Renew IT Pty Ltd; HP, Lenovo, Microsoft, Tata Capital Limited, and Steller Information Technology Private Limited (BitRaser), . We also have a service network comprising in house engineers, field engineers, on site engineers and we also enable Value Added Resellers and System Integrators to service our customers across India. Set forth below is the data in relation to the count of our procurement partners for the years/period indicated:

| **Particulars** | **As of six months period ended September 30, 2024** | **Fiscal 2024** | **Fiscal 2023** | **Fiscal 2022** |
|---|---|---|---|---|
| Count of procurement partners | 447 | 356 | 265 | 157 |

We are a Company with domestic and international operations, with five refurbishing facilities located across India, USA and UAE. We have one facility in Navi Mumbai, Maharashtra, India, one facility in Dallas, Texas, USA and three facilities in Sharjah, UAE, aggregating to 58,127.82 sq. ft. Each of our facilities is equipped with extensive refurbishing capabilities which includes not only screening and parts repair (L1 and L2 activities) but also motherboard repairs (L3 activities) along with keyboard reprinting, paint, fabrication and cosmetic work. We are amongst few companies globally, specialising in LCD repairs including repolarisation and light guide plate correction ("**LGP**") (*Source: 1Lattice Report*).

We also have an office in Netherlands housed in one of our Subsidiaries, Electronics Bazaar BV. Our facilities are strategically located to cater to regional markets while maintaining a global reach across India, Middle East, Europe, Africa and USA. Our facility in India adheres to internationally recognized quality management standards, including ISO 9001:2015 for quality management, ISO 27001:2013 for information security, ISO 14001:2015 for environmental management and ISO 45001:2018 for occupational health and safety. Additionally, we have "*Extended Producer Responsibility*" certification from Central Pollution Control Board and "*Responsible Recycling Version 3*" certification from Sustainable Electronics Recycling International ("**SERI**"). Such certifications highlight that our processes are not only efficient but also aligned with global industry practices. For details of other awards and certifications, "*History and Certain Corporate Matters –Awards, Accreditations and Recognitions"* on page 197.

Our Promoter and founder, Sharad Khandelwal, has 29 years of experience in the information and communication technology industry, playing a pivotal role in shaping our vision for affordable and reliable refurbished ICT Devices. We have expanded our focus towards modern technology and sustainable practices under his leadership and guidance. He is a member of the Institute of Chartered Accountant of India (ICAI) and held all India rank six in the final examination conducted by ICAI during the year 1994. His deep understanding of the industry, combined with his management skills, has enabled us to position our Company as one of the key players in the refurbished ICT Devices industry. His leadership plays a crucial role in strategic decisions, overseeing key business functions, contributing to our growth and operational efficiency. He is also supported by an international team of Key Managerial Personnel and Senior Management Personnel, who collectively bring extensive expertise across various business functions, including finance, compliance, business expansion, project management, and engineering. Additionally, the team possesses knowledge and expertise in business development, supply chain management, and operations, having contributed to the growth of renowned companies in the consumer electronics sector. Their combined experience ensures a quick execution and well – rounded leadership that drives operational excellence and strategic growth for the Company. For further details, refer to "*Our Management*" on page 206.

The following table sets forth certain financial and operational information for the years / period indicated:

(*in ₹ million, unless otherwise stated*)

| Particulars | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Revenue from Operations (1) | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Gross Margin (2) | 1,026.22 | 1,401.52 | 1,011.45 | 616.51 |
| Gross Margin (%) (3) | 16.88% | 12.31% | 15.34% | 11.84% |
| EBITDA(4) | 633.69 | 849.04 | 500.40 | 346.70 |
| EBITDA Margin (%) (5) | 10.42% | 7.46% | 7.59% | 6.66% |
| PAT(6) | 352.12 | 523.05 | 324.28 | 217.70 |
| PAT Margin (%) (7) | 5.79% | 4.60% | 4.92% | 4.18% |
| RoE (%) (8)* | 17.76% | 31.96% | 28.97% | 27.36% |
| ROCE (%) (9)* | 8.43% | 16.72% | 17.91% | 18.06% |
| Net Working Capital (no. of days) (10) | 146 | 42 | 61 | 60 |
| Property, plant and equipment (Gross) turnover ratio (11)* | 15.95 | 31.97 | 60.65 | 51.73 |
| Revenue split by geography | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| - *Within India* | *1,480.30* | *4,783.90* | *3,262.92* | *3,112.58* |
| - *Outside India* | *4,599.32* | *6,597.48* | *3,332.50* | *2,092.37* |
| Volume of devices refurbished (no.) (12) | 2,59,628 | 3,69,320 | 2,48,135 | 1,95,651 |
| No. of customers served (no.) (13) | 3,265 | 3,252 | 1,833 | 1,263 |
| No. of procurement partners (no.) (14) | 447 | 356 | 265 | 157 |

**Not annualized.*

.

*Notes:*

1. *Revenue from operations as per Restated Consolidated Financial Information.*
2. *Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross Margin (%) is computed as material margin divided by revenue from operations *100.*
4. *EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses.*
5. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.*
6. *Restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT Margin (%) is calculated as restated profit for the year divided by Revenue from Operation.*
8. *Return on Equity (%) is calculated as PAT attributable to owners of the Company as a % Shareholders' equity.*
9. *ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings.*
10. *Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities.*
11. *Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of property, plant and equipment as per Restated Consolidated Financial Information.*
12. *Volume of devices refurbished (Nos) is calculated as sum of total numbers of ICT devices refurbished by the Company during the period.*
13. *No. of customers served (Nos.) is calculated as sum of customers invoiced by the Company during the period.*
14. *No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period.*

## Our Strengths

### *India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India*

We are India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India, with significant presence across India, USA, Europe, Africa and UAE , in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). Refurbishment industry is uniquely placed to grow even in downcycles of economic growth as it serves the replacement demand of new devices with affordable solutions *(Source: 1Lattice Report)*. The used and refurbished laptop market in key geographies such as India, USA and Europe is undergoing a significant shift towards organized players. However, even the organised market remains fragmented with no player occupying >5% of the market and a large number of small-scale outlets with limited reach and refurbishment capacity *(Source: 1Lattice Report)*.

Our refurbished laptops are typically available at one – third the price of new devices and are as good as new devices both functionally and aesthetically and come with one to three years warranty, that further enhance buyer confidence (*Source: 1Lattice Report*). This makes our refurbished laptops a strong and compelling proposition for a wide range of users seeking reliable performance at a significantly lower cost. We have a strong online visibility, which is demonstrated by consistent presence amongst top five search results on various search engines.

Our operations are spread across 35 countries in North America, South America, Asia, Asia Pacific, Europe, Africa and Middle East, as on September 30, 2024, and supported by five facilities situated in India, USA and UAE, each strategically located to cater to regional demand, reduce freight costs, optimise delivery time and increase operational efficiency. We also have a service network comprising in house engineers, field engineers, on site engineers and we also enable Value Added Resellers and System Integrators to service our customers.

With a strong presence in domestic and international operations, "*Electronics Bazaar*" is dedicated to promoting digital inclusivity by making technology accessible and affordable. This promotes and helps education, healthcare, artificial intelligence adoption, affordable and reliable technology for start-ups, small and medium enterprises. We firmly believe that reuse is the best form of recycling. Therefore, we promote eco – friendly practices by extending the lifecycle of ICT Devices for further use by refurbishing such ICT Devices, reducing e– waste, making technology more sustainable and also helping corporates achieve their sustainability goals.

As on September 30, 2024, we have a comprehensive portfolio of 4,996 SKUs that we offer. Owing to our scale, we are one of the preferred partners for both ends of the value chain i.e. sales and procurement. For large corporations, we efficiently manage high-volume outputs while ensuring compliance with global standards including data privacy. Our robust refurbishing capabilities and streamlined processes allow us to offer competitive pricing. For Distributors and Value Added Resellers, we ensure a consistent supply of wider range of quality ICT Devices, complemented by adjacent services such as product warranties, after-sales support, competitive commercial terms, all supported by our large-scale and global operations.

Target based approach for implementation of extended producer responsibility ("**EPR**") has been adopted in the E-Waste (Management) Rules, 2022 which stipulate phase wise collection target to producers for the collection of e-waste, either in number or weight, which shall be 60% of the estimated quantity of waste generation during FY23-24 and FY24-25 followed by 70% during FY25-26 and FY26-27, 80% during FY27-28. This progressive approach aims to steadily improve recycling rates and foster sustainable practices in e-waste management. (*Source: 1Lattice Report*). We have also received an "*Extended Producer Responsibility*" certification from Central Pollution Control Board and "*Responsible Recycling Version 3*" certification from SERI. We are also authorised to issue EPR certificates to our procurement partners by Central Pollution Control Board which is required for sustainability compliance and can also be monetised.

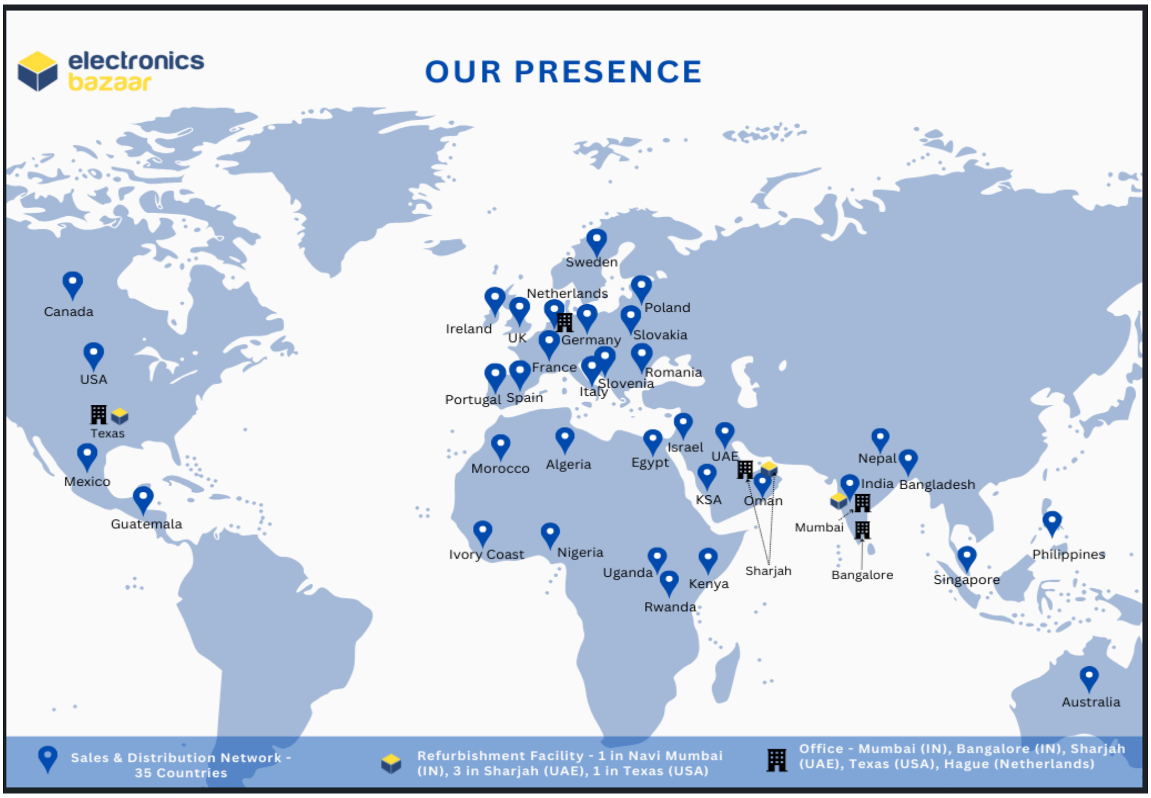
Our extensive experience has allowed us to establish a strong market presence, making us a trusted name in the industry. At the core of our business philosophy are trust and reliability. With nearly a decade of experience in the refurbished ICT Devices, we have cultivated an ethos for delivering value while fostering long-term relationships with our clients. Our proven track record, combined with a strong commitment to customer satisfaction and innovation, positions us as a trusted player in the refurbished ICT market.

***Strong global supply chain, established sourcing base with long tail of vendors and wide customer base***

Our depth in procurement, refurbishment and sales puts us at a definite advantage. The pricing strength comes from our ability to "*buy better, refurbish better and sell better*". We have Value Added Reseller network, with our refurbished ICT Devices being sold in 35 countries as of September 30, 2024. Our sales network comprises, 3,265 touchpoints in India and globally, as of September 30, 2024.

This reach is further supported by VAR partners who sell to corporates and others. We are one of the preferred partners to Value Added Resellers, distributors and other customers alike.

Further, set out below is a map indicating our sales and procurement presence and our global footprint:




This multi-channel and multi-geography presence mitigates channel or geography specific risk.

Our facility in India is also a certified refurbishment facility for both Lenovo and HP and by virtue of which we are also a certified refurbishment partner with them, which are top two global brands, in terms of market share of 24% and 21%, respectively, as of CY 2023, and largest authorised refurbisher for Microsoft in India in terms of refurbishing capability as of Fiscal 2024 (*Source: 1Lattice Report*). Additionally, we serve as ITAD partners of leasing companies, IT consulting companies and banks as we meet their sustainability and data privacy requirements. Our refurbished ICT Devices are subject to periodic audits by our customers, which ensures that our customers are able to confirm sustained quality of our facility and processes. In addition to such audits by our customers from time to time, we also conduct in – house quality testing of our products to ensure that the quality and standard of products remains in compliance with our customer's expectations.

Additionally, we maintain a multi – channel procurement network in India and globally. As of September 30, 2024, we have a procurement network comprising corporates, consulting companies, intermediaries, recyclers, refurbishment partners, educational institutes, leasing companies, NBFCs, large format retail stores such as Vijay Sales and OEM brand stores such as HP and Lenovo. We have a well – developed procurement network that contribute to the overall sourcing strategy. This approach can enhance flexibility, reduce risk and foster innovation by leveraging a wide variety of resources.

Our other corporate vendors include organisation such as Tata Capital Limited, Steller Information Technology Private Limited (BitRaser), HP, Lenovo and Microsoft.

Our longstanding relationships with established customers have contributed to our success thus far and will continue to be a key driver of our future growth. They will not only help us expand our market share but also facilitate our entry into new markets, further solidifying our position as one of the global leader in the refurbished ICT industry (*Source: 1Lattice Report*).

We have strong relationships with global brands such as HP and Lenovo. We help them run efficient and customer-friendly buyback programs facilitating sale of new devices. This association also helps us with added advantages such as revenue visibility, enhanced industry goodwill, greater customer trust and assurance of product quality. Further, our partnerships with global brands such as HP and Lenovo as an authorized refurbishment partner provide us with added sourcing and sales advantages. It enhances our credibility and further expands our market reach, allowing us to deliver significant value to our customers.

We have established a robust supply chain that facilitates smooth operations from procurement of used ICT Devices to the delivery of refurbished ICT Devices. This capability is reflected in our Restated Consolidated Financial Information, demonstrating no inventory write offs and no bad debt, evidencing the quality of our relationships and processes and strength of our supply chain. This multi - channel approach ensures that we can cater to diverse customer needs, providing high-quality refurbished products with ease and convenience across multiple touchpoints.

While ecommerce space for refurbished products is evolving in India, it has matured in European and North American markets (*Source:1Lattice Report*). We have established a foothold in the ecommerce industry in North America and European markets and are high-rated on multiple ecommerce platforms. To further enhance our brand recognition and boost sales, we have invested in comprehensive marketing strategies through online channels. Our online strategies include search engine discovery advertisements, lead generation campaigns, and promotion messages.

Similarly, our offline strategies include corporate tie-ups, brand collaborations, event participation, participation in and sponsorship for the trade shows, print advertisements and in-store branding. This backed by our quality and service helped us create repeat business from VARs and distribution partners.

A key driver of our success is our established and efficient supply chain, which ensures a consistent availability of wide range of ICT Devices and timely deliveries to our customers. We have developed a streamlined process that encompasses all stages of operations, from procurement and refurbishment to distribution, ensuring consistent quality at every phase.

***Well - established refurbishing capabilities and state – of - art infrastructure, with focus on quality***

We operate five refurbishing facilities with one facility located in Navi Mumbai, India; three in Sharjah, UAE; and one in Texas, USA having a cumulative area of 58,127.82 sq. ft. We have one of the largest facilities among Indian ICT refurbishes, with a high-level of integration (*Source:1Lattice Report*). Our facility in Sharjah, UAE is located in Sharjah Free Zone which offers several benefits including in house accommodation to the employees. All our facilities are equipped with round-the-clock surveillance, emergency alarm systems and advanced anti-theft sensors. The strategic positioning of these facilities near major markets provides us with significant cost and logistical advantages, allowing for efficient operations and timely delivery. These advanced facilities are equipped with technology and manpower, enabling us to handle high volumes of products efficiently while ensuring quality control throughout the refurbishment process. This global presence allows us to serve customers in multiple countries with ease and reliability, and also exploit huge global market opportunities.

All our refurbishing facilities have the capabilities to refurbish a wide variety of products, including laptops, desktops, premium smart phones and tablets. This flexibility allows us to adapt quickly to market demands for specific product categories, ensuring we meet customer needs efficiently. Each of our facilities is equipped with extensive refurbishing capabilities which include not only screening and parts repair (L1 and L2 activities) but also motherboard repairs (L3 activities) along with keyboard reprinting, paint, fabrication and cosmetic work. We are amongst few companies globally specialising in LCD repairs including repolarisation and light guide plate (LGP) correction (*Source: 1Lattice Report*). This comprehensive approach ensures that each device not only functions optimally but also meet aesthetic standards, providing our customers with devices that are of superior quality and highly reliable. We have developed in house process for various aspects of refurbishment such as device screening, refurbishment planning, quality control, inventory management and tracking of refurbishment process. We perform drive wiping, drive degaussing, and hard drive shredding. The granularity of our operations presents us with a strong competitive advantage and this model is difficult to replicate.

Further, we execute data sanitization procedures on devices in strict accordance with, among other prominent methods, R2 V3, NIST 800 guidelines, US -DoD 5200, Peter Gutmann and US Army AR 380, while leveraging advanced BitRaser software for data erasure. We have also obtained ISO 27001 certification, an international standard for information security management systems, solidifying our commitment towards proper data sanitization and integrity.

For the year ended March 31, 2024, we refurbished 369,320 ICT Devices. To assure quality to our customers, we have identified processes, which include screening of procured products, pre-repair checks, a 21-step refurbishing process, post repair quality checks and packaging. For further details, please see "- *Our Refurbishment Process*" on page 181. Further, high-level cosmetic skill set processes damaged pieces to like-new condition with trained and skilled technicians who are proficient in restoring the ICT Devices to like original state with our Company's multi-step processes. Furthermore, our IT systems are significant to our business, and we continuously implement the latest technologies to support our operations. Additionally, we regularly conduct training sessions to our employees which covers critical areas, including internal and external parts overview, aesthetic and functional enhancements, advanced troubleshooting and LCD refurbishing. As of September 30, 2024, we have trained 610 employees and the employees received a cumulative total of 10,980 hours of training on building technical expertise. In addition, we conduct regular workshops on topics such as health and safety, ergonomics, technical skills, software and firmware updates and training on new tools and equipment. These trainings and workshop initiatives underscore our Company's commitment to maintain high – quality standards in refurbishment processes.

We continuously strengthen our expertise by providing various in-house trainings to our workforce to strengthen their skillsets and keep them updated with the latest changes in the technologies and processes to maintain quality standards. These training sessions cover several key areas, including an introduction to cosmetic checks (such as inspecting for scratches, fitting of parts, finishing details, and screw placement), as well as functional diagnosis (such as testing the speaker, microphone, touchpad, LED, battery, and other components) and overall refurbishment of devices.

Our refurbishing infrastructure is equipped with the latest technology, ensuring we maintain quality standards throughout our operations. Our facility in Navi Mumbai, India, adheres to internationally recognized quality management standards, including ISO 9001:2015 for quality management, ISO 27001:2013 for information security, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety. We have also received an "*Extended Producer Responsibility*" certification from Central Pollution Control Board. For facilities across the globe, we have obtained "*Responsible Recycling Version 3*" certification from SERI. Such certifications highlight that our processes are not only efficient but are also aligned with global best practices. We are also a government certified refurbisher for activities of collection, segregation, refurbishment and dismantling e-waste.

Our facility in Navi Mumbai, India has also been audited by global team of HP and Lenovo and is also certified as authorised HP and Lenovo refurbishment facility.

***Well positioned to harness global shift to sustainability and growing focus on ESG***

Since our commencement of refurbishing operations in 2014, we have established a strong foothold in the ICT Devices industry, driven by a management team with a vast experience in this industry. Our expertise allows us to navigate the complexities of the market and consistently deliver high-quality products.

The countries around the world are placing greater focus on Environmental, Social, and Governance ("**ESG**") standards as sustainability becomes a global priority. One pressing issue is the growing volume of electronic waste (e-waste), with only a small portion currently being recycled (*Source: 1Lattice Report*). Refurbishing electronics offers a pricing coupled with extension of useful life solution, helping to reduce e-waste by extending the life of devices (*Source: 1Lattice Report*). Our refurbished ICT Devices, priced up to one third lower of new devices and backed by a one to three years warranty, provide consumers with an option that is both environmentally responsible and economically advantageous. By refurbishing and reintroducing electronics into the market, the demand for raw materials is reduced, and electronic waste is diverted from landfills. This contributes to more sustainable consumption and production practices, aligning with the broader goals of the circular economy. Through refurbishment, the environmental footprint of electronics is lessened, and valuable resources are kept in use, supporting the shift away from a disposable culture. The refurbished electronics market offers a value proposition for ESG wherein the environmental value is created by reusing and re-cycling parts which avoids emissions and material extraction. Target based approach for implementation of EPR has been adopted in the E-Waste (Management) Rules, 2022 which stipulate phase wise collection target to producers for the collection of e-waste, either in number or weight, which shall be 60% of the estimated quantity of waste generation during FY23-24 and FY24-25. followed by 70% during FY25-26 and FY26-27, 80% during FY27-28. This progressive approach aims to steadily improve recycling rates and foster sustainable practices in e – waste management (*Source: 1Lattice Report*).

The refurbished electronics market offers a value proposition for ESG wherein the environmental value is created by reusing and re-cycling parts which avoids emissions and material extraction. (*Source: 1Lattice Report*) For example, the resources needed to create one new laptop amount to 1,200kg of mined and consumed earth materials and 250-330 kgs of CO2e is emitted during the manufacture of a new laptop. By opting for refurbished laptop, not only is resource consumption reduced, but e-waste from disposed laptops which is typically disposed off in landfills is also avoided (*Source: 1Lattice Report*). From a waste management perspective, it prevents electronic waste being created, which is typically disposed off in landfills. E-waste in landfills can have several negative impacts on soil and surrounding areas such as contamination of groundwater, disruption of local ecosystems, degradation of soil quality leading to a decline in biodiversity in the area. Further, the refurbishment industry also creates job opportunities for skilled and unskilled labour (*Source: 1Lattice Report*). We adhere to stringent process control guidelines and international industry standards at our facilities in India, including ISO 14001 and ISO 9001:2015. These practices directly influence our capacity to issue EPR certificates.

Our pricing coupled with the eco-friendly nature of our refurbishing, provides a twin solution for affordability and sustainability, which positions us well to harness the global shift to sustainable solutions. Our Company is actively promoting the recycling of surplus IT assets, aiming to consolidate and standardize the unorganized refurbished electronics market. As a government-certified refurbisher, the Company stands out for its commitment to sustainability and quality. Our EPR certificate issued by the Central Pollution Control Board, reinforces its dedication to environmentally responsible operations. By actively pursuing ESG compliance, our Company not only mitigates environmental impact but also positions to capitalize on evolving business opportunities, markets such as Europe, provide incentives and benefits to companies that prioritize ESG standards (*Source: 1Lattice Report*).

***Experienced management team and qualified personnel with significant industry experience***

We are guided by an experienced leadership team, headed by our Promoter and Founder, Sharad Khandelwal, who has 29 years of experience in the information and communication technology industry. Under his leadership, we have grown into one of the leading players in the industry.

Our management team comprises qualified professionals, many of whom have extensive background in business development, finance, operations, and other key areas. The senior management personnel bring a wealth of expertise in operations, design and development, finance, marketing, engineering, legal, human resources, and business development alongwith operating the international business. This diverse experience enables us to efficiently manage our operations and strategically explore new growth opportunities. For details, refer to "*Our Management – Brief Profiles of our Directors*" and "*Our Management – Brief profiles of our Key Managerial Personnel and Senior Management*" on pages 207 and 220, respectively.

We are well-positioned to continue expanding our business and pursuing our vision of becoming the market leader in the refurbished electronics industry. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration, and promoting the development of their skills. In addition to regular compensation, statutory benefits and standard insurance coverage, we have instituted the ESOP Scheme to motivate and incentivize our employees. We rely on our qualified and experienced management to identify new avenues of growth and helps us to implement our business strategies in an efficient and quick manner.

In addition to strong leadership, our workforce includes a skilled team of 894 refurbishing technicians as of September 30, 2024. This ensures consistent quality and productivity as we continue to scale our operations.

***Track record of profitability and consistent financial performance***

We have established a consistent track record of financial performance reflecting operational efficiency. For the six months period ended September 30, 2024, and the financial years ending March 31, 2024, 2023, and 2022, our revenue from operations stood at ₹6,079.62 million, ₹11,381.38 million, ₹6,595.42 million, and ₹5,204.95 million, respectively. Our financial growth is further evidenced by continuous improvements in our balance sheet over the six months period ending September 30, 2024 and last three fiscal years. This reflects our ability to sustain profitability while expanding operations.

The following table sets forth certain financial and operational information for the years / period indicated:

(*in ₹ million, unless otherwise stated*)

| Particulars | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Revenue from Operations (1) | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Gross Margin (2) | 1,026.22 | 1,401.52 | 1,011.45 | 616.51 |
| Gross Margin (%) (3) | 16.88% | 12.31% | 15.34% | 11.84% |
| EBITDA(4) | 633.69 | 849.04 | 500.40 | 346.70 |
| EBITDA Margin (%) (5) | 10.42% | 7.46% | 7.59% | 6.66% |
| PAT(6) | 352.12 | 523.05 | 324.28 | 217.70 |
| PAT Margin (%) (7) | 5.79% | 4.60% | 4.92% | 4.18% |
| RoE (%) (8)* | 17.76% | 31.96% | 28.97% | 27.36% |
| ROCE (%) (9)* | 8.43% | 16.72% | 17.91% | 18.06% |
| Net Working Capital (no. of days) (10) | 146 | 42 | 61 | 60 |
| Property, plant and equipment (Gross) turnover ratio (11)* | 15.95 | 31.97 | 60.65 | 51.73 |
| Revenue split by geography | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| - *Within India* | *1,480.30* | *4,783.90* | *3,262.92* | *3,112.58* |
| - *Outside India* | *4,599.32* | *6,597.48* | *3,332.50* | *2,092.37* |
| Volume of devices refurbished (no.) (12) | 2,59,628 | 3,69,320 | 2,48,135 | 1,95,651 |
| No. of customers served (no.) (13) | 3,265 | 3,252 | 1,833 | 1,263 |
| No. of procurement partners (no.) (14) | 447 | 356 | 265 | 157 |

**Not annualized.*

.

*Notes:*

1. *Revenue from operations as per Restated Consolidated Financial Information.*
2. *Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross Margin (%) is computed as material margin divided by revenue from operations *100.*
4. *EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses.*
5. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.*
6. *Restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT Margin (%) is calculated as restated profit for the year divided by Revenue from Operation.*
8. *Return on Equity (%) is calculated as PAT attributable to owners of the Company as a % Shareholders' equity.*
9. *ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings.*
10. *Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities.*
11. *Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of property, plant and equipment as per Restated Consolidated Financial Information.*
12. *Volume of devices refurbished (Nos) is calculated as sum of total numbers of ICT devices refurbished by the Company during the period.*
13. *No. of customers served (Nos.) is calculated as sum of customers invoiced by the Company during the period.*

14. *No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period.*

## Our Strategies

***Expanding our footprint and increase our market presence in India and other countries to capitalize on the industry tailwinds***

The global used and refurbished electronics market grew from US$ 169.9B in CY18 to US$ 207.4B in CY23, at a CAGR of 4%. By CY28, the market is expected to reach US$ 334.8 billion, with 10% CAGR as consumers and industries prioritize cost-effective solutions. Similarly, the Indian refurbished market has seen significant growth, expanding from ~US$ 11.3B in FY19 to ~US$ 16.7B in FY24, and is projected to reach ~US$ 35B by FY29, at a CAGR of 16% over FY24-29 *(Source: 1Lattice Report)*.

The global refurbished personal computer market grew from US$ 9.7 billion in CY18 to US$ 14.4 billion in CY23, reflecting an 8% CAGR, and is projected to reach US$ 38.3 billion by CY28, at 22%. Similarly, the Indian refurbished PC market grew from US$ 0.2 billion in FY19 to US$ 0.8 billion in FY24, showing a 27% CAGR, and is expected to reach US$ 3.3 billion by FY29, at a CAGR of 33%. A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. However, even the organised market remains fragmented with no player occupying >5% of the market and a large number of small-scale outlets with limited reach and refurbishment capacity. In India, the organized market share grew from approximately 5% in FY19 to 11% in FY24, with a robust CAGR of 33%. *(Source: 1Lattice Report)*

The demand for refurbished electronics is driven by various factors, including accelerated internet connectivity, access to artificial intelligence and digital access, shift towards environmentally sustainable products, shift towards digital economy including education and healthcare, affordability and cost effectiveness. Demand for refurbished electronics is on the rise in emerging and developed markets (*Source: 1Lattice Report*).

With over a decade of experience in the ICT Devices refurbishment industry and modern and advanced facilities equipped with the latest technology, we are strategically positioned to offer ICT Devices at competitive prices and bringing process efficiency. This pricing leverage not only sets us apart from competitors but also reinforces our commitment to providing high-quality, affordable products. Due to these cost advantages, we offer quality refurbished ICT Devices at affordable prices in India and globally. By improving our offerings and providing a seamless customer experience, we aim to encourage clients to invest more with each transaction. We aim to further increase this through strengthening relationships, enhanced customised product features, and by expanding our service offerings, such as extended warranties, maintenance plans, and flexible financing options.

Further, our expansion strategy involves tapping into both emerging markets and developed markets where the demand for high-quality, affordable refurbished electronics is on the rise *(Source: 1Lattice Report)*. In line with the growth in demand for refurbished products, we intend to expand our presence both in India and globally. Historically, our customer base has increased from 1,263 in Fiscal 2022 to 1,833 in Fiscal 2023 to 3,252 in Fiscal 2024 to 3,265 as on September 30, 2024 and going forward, we plan to expand our customer base. We plan to penetrate deeper into geographies, establishing new relationships on the back of established credentials and leveraging more on existing customer network. We also intend to identify new channels and use cases to diversify and increase our customer base.

This expansion is supported by our facilities located in India, USA and UAE, which give us the flexibility to scale and meet growing market demands efficiently and effectively access around 70% of global GDP from these strategic locations *(Source: 1Lattice Report)*. Our facility in the USA serves North and South America, while our UAE facility provides access to Europe, the Middle East, Africa, and the Asia-Pacific regions. Additionally, we have recently incorporated a subsidiary Electronics Bazaar BV, in Netherlands and have an office to cater to and penetrate in the European market.

By deepening our penetration in existing markets and expanding in new markets, and expanding our customer base, we are well – positioned to drive sustained growth. Our comprehensive approach ensures that we not only meet the immediate needs of our clients but also create lasting relationships that fuel long-term business success.

By offering affordability coupled with quality, we intend to target retail consumers such as working professionals and students and end customers such as large corporates, small and medium-sized businesses, education, start-ups and other institutions. We plan to expand our presence globally by enhancing both our physical footprint and our online sales channels.

***Enhancing procurement in India and other countries while parallelly strengthening brand relationships***

We have established long term relationships with our procurement partners by offering value proposition and undertaking synergetic business opportunities while also helping them achieve sustainability goals and addressing data privacy concerns. Historically our total procurement partners increased from 157 in Fiscal 2022 to 265 in Fiscal 2023 to 356 in Fiscal 2024 to 447 as on September 30, 2024 and going forward we intend to expand our procurement network. We plan to leverage the existing procurement network to build new relationships and communicate our value proposition to a wider audience in order to expand our procurement base even more.

Additionally, our associations with brands such as HP and Lenovo, helps them run efficient and customer-friendly buyback programs facilitating sale of new devices. This association also helps us with added advantages such as revenue visibility, enhanced industry goodwill, greater customer trust and assurance of product quality.

We also offer assured buy back programmes through brands enabling them to sell new devices and augmenting our procurement strategy. We intend to expand this programme globally including in key economies such as USA, Europe and UAE.

Additionally, obtaining relevant certifications demonstrates our compliance with industry standards and regulations, fostering trust among partners and clients. This credibility strengthens relationships, as stakeholders gain confidence in the quality and reliability of our offerings. Our investment in sourcing and certification reflects a commitment to quality and sustainability, deepening relationships and promoting long-term collaboration. By virtue of brand certifications from brands such as HP and Lenovo for our refurbished products, we improve our market positioning, creating mutual benefits and opportunities for growth.

***Focus on environmental, social, and governance ("ESG") standards and expanding opportunities with OEMs***

We are committed to maintaining high ESG standards, which are becoming increasingly crucial across the world including India. Our focus on sustainability is demonstrated by our adherence to quality standards certifications and governmental approvals from pollution boards for environmental compliance. These certifications underscore our commitment to eco-friendly operations, while our refurbishment processes significantly contribute to reducing e-waste by extending the lifespan of electronics. This directly aligns with global sustainability efforts and reduces the environmental footprint of our products.

By actively pursuing ESG compliance, we not only mitigate our environmental impact but also position ourselves to capitalize on evolving business opportunities. Markets such as Europe, provide incentives and benefits to companies that prioritize ESG standards (*Source: 1Lattice Report*). Additionally, our ESG commitment strengthens our value proposition to environmentally conscious consumers and businesses, opening new revenue streams by catering to organizations seeking sustainable partners. We intend to establish ourselves as a mainstream player in government initiatives by obtaining all necessary certifications and registrations. Additionally, we intend to collaborate with government agencies to promote this vision and drive it forward effectively.

As per the 1Lattice Report, France has introduced legislation to reduce the environmental footprint of digital technology. This mandates that 20% of IT devices bought by organisations need to be refurbished, with a target of 40% by 2040. The legislation is even more stringent in the public sector, targeting an increase of up to 50% by 2025. Similarly, The Irish Government, under its "Buying Greener" Green Public Procurement Strategy and Action Plan, aims that by 2025, at least 80% of newly procured ICT end-user products will be either refurbished or will meet other environmental standards. As global efforts to mitigate climate change intensify, the refurbishment industry plays a key role in advancing sustainability. By extending product life cycles, refurbishment reduces the need for raw material extraction and new production, cutting emissions and conserving energy. This aligns with UN Sustainable Development Goals, promoting responsible consumption and reducing e-waste. Of the 17 UN Sustainable Development Goals, we focus primarily on the following objectives:


| | | | |
|---|---|---|---|
| • Developing new methods for **extending product lifecycles** and enhancing recycling processes supports the goal of fostering **sustainable growth** and **infrastructure in the industry**<br>• Advancements in recycling and repair technologies drive sustainable industrial practices | • **Reducing e-waste** contributes to **cleaner**, more **sustainable** urban areas.<br>• By minimizing the amount of electronic waste in landfills, this approach supports the development of **waste-efficient cities** and **communities** | • By emphasizing **reuse** and **repair** over disposal, refurbishment fosters more **sustainable production** and **consumption practices**<br>• Extending the lifecycle of electronic devices, minimizes the need for new raw materials, reducing electronic waste | • Refurbishing electronics helps fight climate change by **lowering the demand** for new, **energy-intensive manufacturing**<br>• Extending the life of existing products **reduces the carbon footprint** tied to producing new devices, supporting global climate efforts |

(*Source: 1Lattice Report*)

We practice refurbishing by repairing and not replacing parts, thereby reducing electronic waste, conserving resources, and fostering a circular economy through the reuse of existing devices. With in-house repairing capabilities of parts and components and reclaiming plastic parts using fabrication and paint allows us to give a greater yield. An integral part of our ESG commitment is also encouraging digital access by making available quality IT products at affordable rates. The pricing advantage also makes these products affordable to students, small businesses, and underprivileged sections of society, thereby fostering digital inclusivity.

We also aim to expand our partnerships with OEM brands, with a focus on sustainability. These partnerships will enhance our reputation as a trusted and capable refurbisher while strengthening our standing in ESG-compliant supply chains.

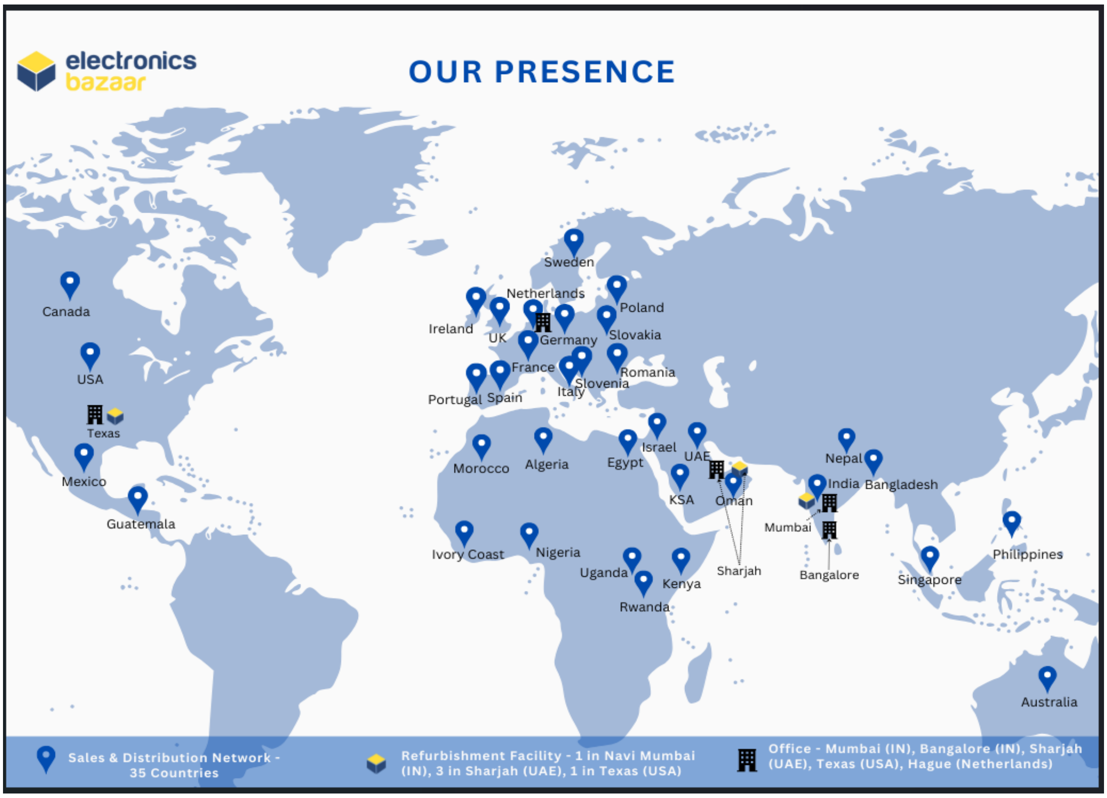
By partnering with us, we can offer OEM brands participation in a sustainability driven circular economy by reducing the lifecycle environmental impact of their products and extending the usability of ICT Devices. Further, refurbishing operations can help brands manage their end-of-life products, potentially lowering costs for disposal and meeting regulatory recycling requirements.

We aim to unlock new growth opportunities, enter ESG-driven markets, and establish a sustainable competitive edge in the global ICT Devices refurbishment industry. This will allow us to continue driving environmental impact reduction while tapping into the increasing demand for responsible, eco-conscious business practices.

**Our Business Operations**

*Our Presence*

We are present across various countries and continents as depicted in the chart below –




*Online presence*

In addition to the above, we have our own website (www.electronicsbazaar.com) in India and the United States for consumers to showcase our products. Also, we have strong foothold on major ecommerce marketplaces and online B2B trade platforms globally along with the social media presence through country specific and business specific dedicated social media pages and offering target specific microsites. We have a strong online visibility, which is demonstrated by consistent presence amongst top five search results on established search engines.

*Our refurbishment process*

In line with our focus to provide end – to – end solutions and to develop better control on our supply chain and improve our margins, our refurbishing facilities have advanced capability to produce quality refurbished ICT Devices. We have equipped our facilities with in-house parts and components (including LCDs) with restoration, fabrication and paint capabilities to improve our cost efficiency, reduce dependency and provide better control on production time and quality of critical components.

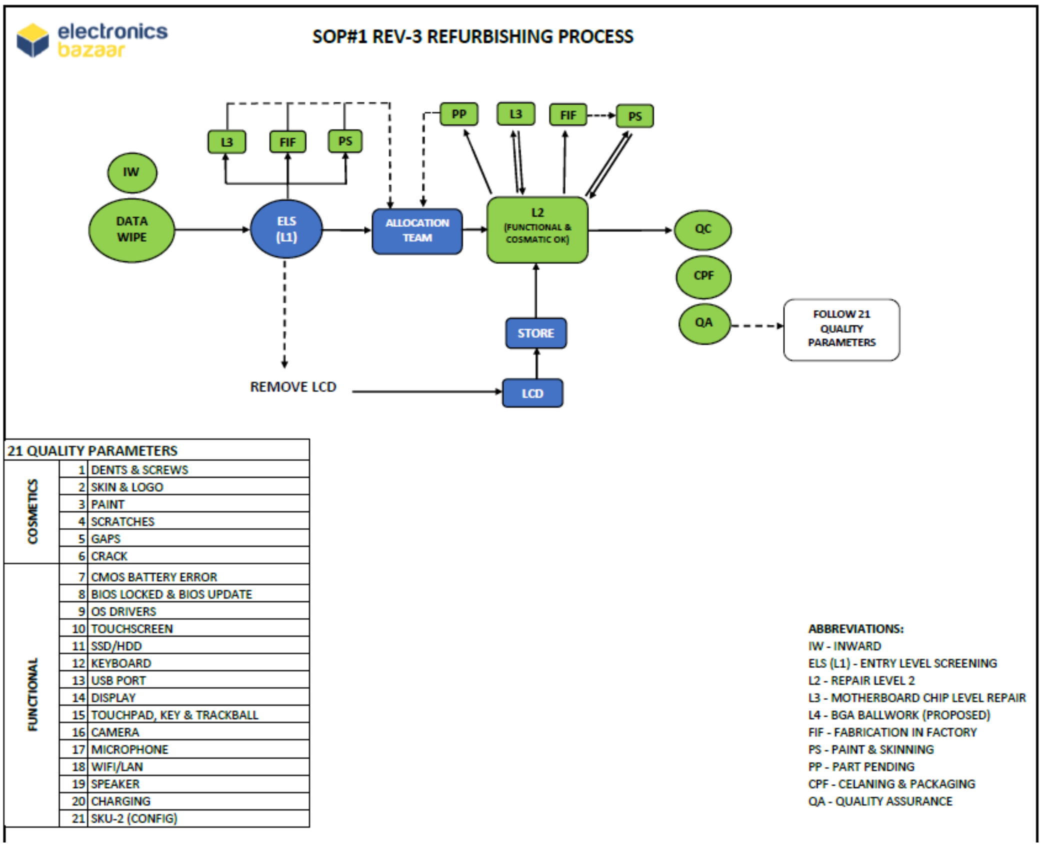
We follow a comprehensive process of receiving, inspecting, repairing, and shipping refurbished devices across our various facilities. The ICT Devices are data sanitized and undergo a thorough inspection for cosmetic and functional issues. If any defects are identified, the devices are directed to the appropriate department whether for painting, fixing physical damage, or more advanced repairs.

After the initial inspection and diagnosis, ICT Devices are handed over to our L2 repair team, where engineers address hardware and cosmetic issues, install operating system, repair faulty parts, and conduct performance tests. Once repairs are completed, the devices go through a detailed quality control (QC) check to ensure the devices meet the functional and cosmetic standards. Devices that pass the QC checks are cleaned, packed, and stored in the warehouse, ready for shipment.

Additionally, we offer refurbishing capabilities comprising L1, L2 and L3 repairs, which ensures that our refurbished ICT Devices meet both performance and aesthetic expectations. This includes:

- *Software Reinstallation:* Ensuring the operating system and necessary software are up to date.
- *Small Parts Replacement:* Replacing components such as hinges, keys, and connectors.
- *Printed Circuit Board (PCB) Repair:* Performing advanced repairs at the PCB level to restore functionality.
- *Cosmetic Refurbishment:* Enhancing the appearance of the product to meet quality standards.

Set forth below is the process followed for refurbishment of the products:




*Our refurbished ICT Devices Basket*

Our refurbished ICT Devices basket covers a wide range of ICTs, including laptops, desktops, tablets, , servers, premium smart phones, mobile workstations, and accessories.

Set forth below is the data in relation to revenue contribution from our ICT Devices for the years/period indicated:

*(₹ million, unless otherwise stated)*

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operation | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations |
| Revenue from sale of laptops | 4,595.38 | 75.59% | 7,724.16 | 67.87% | 5,274.58 | 79.97% | 4,638.83 | 89.12% |
| Revenue from others* | 1,484.24 | 24.41% | 3,657.22 | 32.13% | 1,320.84 | 20.03% | 566.12 | 10.88% |
| **Total revenue from operations** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **6,595.42** | **100.00** | **5,204.95** | **100.00** |

**Includes desktops, tablets, servers, premium smart phones, mobile workstations and accessories.*

The below table depicts the differences in the prices of the refurbished products supplied in comparison to the prices of the new products:

*In India*

| Sr. No. | Model | Price offered by the Company (in ₹) | Price of new product (in ₹) | Savings (in ₹) | % Saving |
|---|---|---|---|---|---|
| 1 | Dell Latitude 7490 - Core i5 8th / 8GB / 512 GB SSD /14” | 23,250.00 | 85,000.00 | 61,750.00 | 73.00% |
| 2 | HP Elitebook 840 G5 - Core i5 $8^{th}$ / 8GB / 512 GB SSD /14” | 26,900.00 | 103,000.00 | 76,100.00 | 74.00% |
| 3 | Lenovo Thinkpad T 480 - Core i5 8th / 8GB / 512 GB SSD /14” | 22,500.00 | 92,000.00 | 69,500.00 | 76.00% |
| 4 | Dell 7310 (2 in 1)- Core i7 10th/16GB/512GB /14” | 35,000.00 | 165,800.00 | 130,800.00 | 79.00% |
| 5 | HP Probook 440 G5 - Core i5 $8^{th}$ / 8GB / 512GB SSD / 14” | 20,000.00 | 59,000.00 | 39,000.00 | 66.00% |

*(Source: 1Lattice Report)*

*Outside India*

| Sr. No. | Model | Price of new product (in US $) | Price offered by us (in US $) | Savings (in US $) | Price gap (in %) |
|---|---|---|---|---|---|
| 1 | HP EliteBook 840 G7 Intel i7 10610U 16GB RAM, 512GB SSD Win 11 Pro | 1,069.00 | 353.00 | 716.00 | 67.00% |
| 2 | Dell 5420 14 Core i7-1185G7 16GB RAM 512GB SSD W10 Pro (Renewed) | 999.00 | 302.00 | 697.00 | 70.00% |
| 3 | Lenovo 14" Thinkpad T14 Gen i7-10610U 16GB 512 GB SSD W11P (Renewed) | 1,200.00 | 360.00 | 840.00 | 70.00% |
| 4 | Apple MacBook Air 2020 13.3-inch i5, 8GB RAM, 512GB | 1,300.00 | 404.00 | 896.00 | 69.00% |

* *As of September 30, 2024, on various online market places*

** *As of September 30, 2024, on* www.electronicsbazaar.com

*(Source: 1Lattice Report)*

**Our Refurbishing Facilities**

We have five refurbishing facilities which are strategically located in India (Navi Mumbai), UAE (Sharjah) and USA (Texas). Our modern facilities are equipped with quality machinery, assembly lines and full power backup for our Indian facilities for 100% capacity that enable us to meet the quality requirements of our customers in a timely manner.

Details of our facilities are set out below:

| Sr. No. | Facility | Area (in square feet) | Year of commencement of operations |
|---|---|---|---|
| 1. | Navi Mumbai, India | 25,600.00 | 2023 |
| 2. | Dallas, Texas, USA | 11,000.00 | 2024 |
| 3. | Sharjah, UAE – I | 4,305.56 | 2017 |
| 4. | Sharjah, UAE – II | 4,305.56 | 2022 |
| 5. | Sharjah, UAE – III | 12,916.70 | 2023 |
| **Total** | | **58,127.82** | |

*Facility at Navi Mumbai, India*

*Facility at Sharjah, UAE*


***Customers and exports***

We have a diversified customer base including OEMs across geographies. In Fiscal 2024, top 10 customers of our Company represented 55.77%, respectively, of consolidated revenue from operations of the Company. The following table sets forth the names of our top 10 customers in Fiscal 2024:

| Particulars | Fiscal 2024 | |
|---|---|---|
| | Amount (in ₹ million) | % of total revenue from operations |
| Customer 1 | 1,966.22 | 17.28% |
| Customer 2 | 1,298.72 | 11.41% |
| Customer 3 | 751.32 | 6.60% |
| Customer 4 | 589.90 | 5.18% |
| Customer 5 | 463.45 | 4.07% |
| Customer 6 | 320.77 | 2.82% |
| Customer 7 | 307.85 | 2.70% |
| Customer 8 | 236.92 | 2.08% |
| Customer 9 | 221.69 | 1.95% |
| Customer 10 | 190.05 | 1.67% |
| **Total** | **6,346.89** | **55.77%** |

**Names from our top 10 customers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such customers to be named in the Offer Documents.*

In Fiscal 2024, we exported our ICT Devices and delivered our services to 35 countries in North America, South America, Asia, Asia – Pacific, Europe, Africa and Middle East.

The table set forth below provides revenue by geographical segment as a percentage of our revenue from operations during six months period ended September 30, 2024, and for Fiscal 2024, Fiscal 2023 and Fiscal 2022.

*(₹ million, unless otherwise stated)*

| Revenue by Geographical Segment | For six months period ended September 30, 2024, | | Fiscal 2024 | | | Fiscal 2023 | | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amount | % of revenue from operations | Amount | % of revenue from operations | Year on year growth (%) | Amount | % of revenue from operations | Year on year growth (%) | Amount | % of revenue from operations |
| Within India | 1,480.30 | 24.35 | 4,783.90 | 42.03 | 46.61 | 3,262.92 | 49.47 | 4.83 | 3,112.58 | 59.80 |
| Outside India* | 4,599.32 | 75.65 | 6,597.48 | 57.97 | 97.97 | 3,332.50 | 50.53 | 59.27 | 2.092.37 | 40.20 |
| **Total** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **-** | **6,595.42** | **-** | **100.00** | **5,204.95** | **100.00** |

**Includes North America, South America, Asia, Asia-Pacific, Europe, Africa and Middle East.*

**Devices Management and Procurement of devices**

We source the devices from domestic markets for Indian operations and for our international operations, we source the devices from across the globe. All our suppliers are independently sourced by us. For our suppliers in India, we conduct evaluation to assess the suppliers in terms of adherence to timelines / schedules and quality. We also undertake pre-purchase inspection to assess the quality of the products of the suppliers to arrive at procurement price and commercial terms. At times, we make large purchases of the products from particular supplier(s) because of their pricing, quality and strategic advantages. We also have long term procurement relationships with global and Indian suppliers wherein procurement happens on purchase order basis with respective commercial terms.

We procure our devices from various countries as depicted in the chart below –


The devices are primarily transported by multiple modes of transport. We keep long list of suppliers with us, to ensure consistent procurement of good quality inventory, enabling stable and consistent refurbishment and sales.

Our refurbished ICT Devices are stored on-site at our facilities and at various warehouses.

The following table sets forth the details of top 10 suppliers of the Company in Fiscal 2024:

| Particular* | Fiscal 2024 | |
|---|---|---|
| | Amount (in ₹ million) | As a % of the cost of total inventory |
| Supplier 1 | 2,881.60 | 24.48% |

| Particular* | Fiscal 2024 | |
|---|---|---|
| | Amount (in ₹ million) | As a % of the cost of total inventory |
| Supplier 2 | 1,661.70 | 14.12% |
| Supplier 3 | 694.04 | 5.90% |
| Supplier 4 | 601.37 | 5.11% |
| Supplier 5 | 565.18 | 4.80% |
| Supplier 6 | 467.96 | 3.97% |
| Supplier 7 | 306.48 | 2.60% |
| Supplier 8 | 288.85 | 2.45% |
| Supplier 9 | 271.50 | 2.31% |
| Supplier 10 | 185.94 | 1.58% |
| **Total** | **7,924.63** | **67.31%** |

**Names of our top 10 suppliers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such suppliers to be named in the Offer Documents.*

**Distribution and Logistics**

Once the ICT Devices are refurbished, we package these to the customers with our branding for the customers. We engage third-party transport service providers to transport products from our facilities or warehouses to our customers. We have arrangements with third party logistics providers for transportation of our products.

**Customer Service**

We have a dedicated customer service team to resolve issues related to the ICT Devices. The consumers may log complaint / query via call centre or Value Added Resellers, online *via* our website and dedicated customer support email.

Our team strives to acknowledge all complaints and queries promptly within a reasonable timeframe. We have a smooth warranty programme which provides for the quick resolution to most of the queries/issues of the consumers.

**Brand Building and Marketing**

We have dedicated sales and marketing teams based out of multiple locations globally. As of September 30, 2024, our sales and marketing teams comprised 95 members. Our sales and marketing teams' approach is to identify opportunities and customers to build new relationships and continuously engage with existing customers to deepen our relationship resulting in wider customer base and consistent sales growth.

**Information Technology**

We have developed in house process for various aspects of refurbishment such as device screening, refurbishment planning, quality control, inventory management and tracking of refurbishment process. These include our in house developed Inventory Management System ("**IMS**"). The IMS tracks each step of a device's physical processing in real time, enabling precise location identification across stages such as L1, L2, L3, LCD, Paint & Fabrication, Packing, and QA. The following provides the processes undertaken by IMS:

1. Receiving and Uploading: Electronics Bazaar receives stock from vendors. Bulk or individual SKUs are uploaded into the system.

2. Stock Assignment: Items are assigned to engineers for processing.

3. Initial Screening: Devices undergo entry-level screening.

4. Refurbish Devices: the devices are categorized into L1 and L2 and further segregated into different sections such as QC, Paint, LCD, L3, Fabrication, Packing, and QA for processing.

Each step is meticulously recorded in IMS, ensuring seamless tracking and operational transparency.

The key functions of our IT team include establishing and maintaining enterprise resource planning systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment and identifying emerging technologies which may be beneficial to our operations. We are currently using a third-party enterprise resource planning solution, which assists us with various functions including production administration control, sales, maintaining the chart of accounts records for finance and IT departments and maintaining vendor master records, among others.

Information security is one of our key focus areas. Our agreement with our cloud services provider guarantees uptime and access to data stored on the server is provided to authorized users only through dedicated firewalls and secure VPN gateway. User access management best practices are governed through our IT policies and followed and reviewed on a regular basis.

Virtual machine level backup of all virtual machine's is triggered automatically on a daily and weekly basis as per the defined backup and retention policy.

For further details on the risk to our IT systems, please see "*Risk Factors – Any failure or disruption of our information technology systems may adversely impact our business and operations*" on page 41.

**Competition**

We operate in a competitive industry, with participants in the organized and the unorganized sector. We believe that the principal differentiating factors such as product and service quality, reliability, price, proven warranty, after-sales services, long term relationship with procurement partners and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address customer requirements gives us the competitive advantage. With long operating history in this sector and founder's experience of over 29 years in the ICT Devices refurbishment industry giving distribution relationship, credibility and understanding, the quality of our products, our product refurbishment capability, our range of products, strong relationships with the customers and procurement partners along with our ability to retain them, we believe that we are able to effectively compete with our competitors.

One of our key differentiators is a true global scale with presence in USA, Europe, UAE and all other key economies which gives us global supply chain and relationship advantages. Also, our fully integrated operations from procurement to refurbishment to sales and after sales service serves as entry barriers for our competition.

We are also certified refurbishment partners with global laptop brands such as HP and Lenovo.

**Quality Control and Assurance**

We believe that maintaining a high standard of quality of our products is critical for our business, adhering to client specifications and continued growth. We have implemented quality control systems that cover all areas of our business processes, which include supply chain to product delivery, in order to ensure consistent quality, efficacy and safety of the products.

As part of our quality control process, we closely monitor stages of product refurbishment. We have implemented checks and testing systems in place, from the procurement of devices to the end refurbished product, to ensure the quality of our products and to ensure that the products that we refurbish do not deviate from quality standards. Various in-process quality checks are undertaken to monitor product quality. Finished products are tested against the pre-determined quality specifications prior to delivery and with respect to their application. Our quality control process has resulted in certifications and approvals such as ISO 9001:2015 for quality management, ISO 27001:2013 for information security, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety.

**Health and Safety**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, and employee health and employee safety. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details, please see "*Risk Factors – Non-compliance with and changes in any of the applicable laws, rules or regulations, including safety, health, environmental and labour laws may have an adverse effect on our business, results of operations and financial condition and cash flows*" on page 38.

In addition to various laws and regulations, we also have a health and safety policy that we have established internally. We are complied and certified with ISO 14001:2015 and ISO 45001:2018, while also meeting all legal and regulatory obligations. We also have an emergency evacuation plans in place for our units. We also conduct training programs and mock drills, to educate and prepare our employees for emergency and evacuation situation.

**Insurance and Warranties**

In order to manage the risk of losses from potentially harmful events, we have purchased insurance policies covering fire, damage to buildings, plant and machinery, inventory, vehicles; (ii) burglary and theft; (iii) workmen compensation policy; and (iv) personal accident and medi-claim policy of employees. These insurance policies are renewed periodically to ensure that the coverage is adequate. For further details, please see "*Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may have an adverse effect on our business, results of operations, cash flow and financial condition"* on page 47.

We also provide one to three years warranty for our refurbished ICT Devices.

## Employees

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce are critical in strengthening our competitive position.

As of September 30, 2024, we had 1,143 employees working in our facilities. In addition, from time to time, we engage contract labour for certain services at our facilities, including for loading/unloading of goods and/or shifting of materials at our premises. The number of contract labourers varies from time to time based on the nature and extent of work.

| Departments / Teams | Number of Employees |
|---|---|
| Production | 894 |
| Sales and marketing | 95 |
| Customer support | 46 |
| Finance, Human resources, Administration and Operations | 108 |
| **Total** | **1,143** |

As of the date of this Draft Red Herring Prospectus, we do not have recognized trade unions at our facilities. We have not experienced any material work stoppages due to labour disputes or cessation of work in the last three fiscal years. Our workforce 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.

## Intellectual Property

We have registered our logo electronics bazaar.com under class 9 of the Trademarks Act, as on the date of this Draft Red Herring Prospectus. For further information, see "*Risk Factors - Our inability to protect any of our intellectual property rights including misappropriation, infringement or passing off of our intellectual property or failure to obtain our trademarks could have an adverse impact on our business*".

## Corporate Social Responsibility

Our Corporate Social Responsibility ("**CSR**") initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development. Our CSR programs are committed to enrich the lives of underprivileged children through education, mentorship and access to quality healthcare.

## Awards and Accreditations

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

| Calendar Year | Awards, accreditations, and recognition |
|---|---|
| 2018 | Certified as '*Microsoft Authorised Refurbisher*' by Microsoft |
| 2021 | Received certification under ISO 9001:2015 |
| 2021 | Received certification under ISO/IEC 27001:2013 |
| 2021 | Received certification under ISO 14001:2015 |
| 2021 | Received certification under ISO 45001:2018 |
| 2022 | Received certificate of registration from Perry Johnson Registrars, INC. for conformance with the sustainable electronics reuse and recycling (R2) standard as applied by the R2 code of practices. |
| 2023 | Certified as '*Certified Refurbishment Partner*' by HP India Sales Private Limited |
| 2024 | Certified as '*Certified Refurbishment Partner*' by Lenovo Global Technology (India) Private Limited |

## Property

Our Registered and Corporate Office is located at Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India, which is leased to us. Recently, as on the date of this Draft Red Herring Prospectus, our warehouses and other offices have been set up on premises leased to us. For further details, please see "*Risk Factors – Our business operations are being conducted on premises leased from third parties. Our inability to continue operating from such premises, or to seek renewal or extension of such leases may have an adverse effect on our business, operations and financial condition*".

The table below provides leased details of our Registered and Corporate Office, warehouses and refurbishing facilities cum warehouses:

| Sr. No. | Address of the facilities | Owned / Leased | Name of Lessor | Area | Term |
|---|---|---|---|---|---|
| **Registered and Corporate Office** | | | | | |
| 1. | Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai, Maharashtra 400 069. | Leased | Kay Kay Overseas Corporation | 1,600.00 square feet | 11 months with effect from October 1, 2024. |
| **Warehouses** | | | | | |
| 2. | No.9, Makali Village, Dasanapura Hobli, Nelamangala Taluk, Bengaluru North, Karnataka 562 123. | Leased | Sun Star Services | 2,000.00 square feet | From February 1, 2023, till December 31, 2027. |
| 3. | Survey no.95, Hissa no.5, Vadpe Village, next to Fedex Bhiwandi, Thane, Maharashtra 421 302. | Leased | ProConnect Supply Chain Solutions Limited | 2,880.00 square feet | 12 months with effect from June 1, 2024. |
| **Refurbishing Facilities cum Warehouses** | | | | | |
| 4. | Module Nos.7 & 8 located within B1 and B2 (part), IT Incubation Centre, Trans Thane Creek Industrial Area, Juinagar, Navi Mumbai, Thane, Maharashtra 400 706. | Leased | Raheja Universal Private Limited | 25,600.00 square feet | 60 months with effect from January 1, 2023. |
| 5. | 400 M2 Warehouse T5-103, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 4,305.56 square feet | 25 years with effect from January 28, 2021 |
| 6. | 400 M2 Warehouse T5-105, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 4,305.56 square feet | 25 years with effect from September 6, 2022 |
| 7. | 600 M2 Warehouse Q4-088/ Q4-089, Sharjah, United Arab Emirates | Leased | Sharjah Airport International Free Zone | 12,916.70 square feet | 25 years with effect from November 6, 2023 |
| 8. | 151 Regal Row, Suite 201, Dallas, TX 75247 | Leased | Prologis | 11,000 square feet | 5 years with effect from September 6, 2024 |

## KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain relevant Indian laws and regulations which are applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details, see "*Risk Factors - Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and financial performance*." on page 51.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details, see "*Government and Other Approvals*" on page 327.

**Key regulations applicable to our Company**

***Shops and establishments legislations***

Under the provisions of local shops and establishments legislations applicable in the States in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

***Legal Metrology Act, 2009 ("Legal Metrology Act")***

The Legal Metrology Act, 2009, as amended (the "Metrology Act") aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/ measurement/ numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

***The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The Information Technology (Amendment) Act, 2008, which amends the IT Act, facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("DoIT"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Security Rules") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 ("IT Intermediary Rules") in respect of Section 79(2) of IT Act, requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

The DoIT has recently notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 ("IT Intermediary Rules") requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediaries Rules further requires the intermediaries to provide for a grievance redressal mechanism and appoint a nodal officer and a resident grievance officer.

***Digital Personal Data Protection, Act 2023 ("DPDP Act")***

The DPDP Act was introduced to provide for the processing of digital personal data in a manner that recognizes both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto. The DPDP act replaces Article 43(A) (Compensation for failure to protect data) of IT Act 2000. Under the DPDP Act the personal data of a data principal may only be processed for a lawful purpose for which the data principal has given consent or for certain legitimate purposes.

A request for consent of the data principal must be accompanies or preceded by a notice given by the data fiduciary, informing the data principal of the personal data and the purpose for which the same is proposed to be processed and the rights and remedies available to the data principal under the act. The notice provided must be clear concise and comprehensible to the data principal. The Act further provides that the consent given by the data principal shall be free, specific, informed, unconditional and unambiguous with a clear affirmative action and shall signify an agreement to the processing of the personal data for the specified purpose and be limited to such personal data as is necessary for such specified purpose.

The act establishes "legitimate purpose" for which personal data can be processed; (i) for the specified purpose for which the data principal has voluntarily provided her personal data to the data fiduciary and in respect of which she has not indicated to the data fiduciary that she does not consent to the use of her personal data; (ii) for the state and any of its instrumentalities to provide or issue to the data principal such subsidy, benefit, service, certificate, licence or permit as may be prescribed, subject to certain conditions; (iii) for the performance by the state or any of its instrumentalities of any function under any law for the time being in force in India or in the interest of sovereignty and integrity of India or security of the state; (iv) for fulfilling any obligation under any law for the time being in force in India on any person to disclose any information to the State or any of its instrumentalities, subject to such processing being in accordance with the provisions regarding disclosure of such information in any other law for the time being in force (v) for compliance with any judgment or decree or order issued under any law for the time being in force in India, or any judgment or order relating to claims of a contractual or civil nature under any law for the time being in force outside India; (vi) for responding to a medical emergency involving a threat to the life or immediate threat to the health of the Data Principal or any other individual; (vii) for taking measures to provide medical treatment or health services to any individual during an epidemic, outbreak of disease, or any other threat to public health; (viii) for taking measures to ensure safety of, or provide assistance or services to, any individual during any disaster, or any breakdown of public order; (ix) for employment related purposes.

The DPDP act imposes penalties for contravention, wherein a penalty up to ₹ 10,000 may be imposed for a breach in observance of duty by data principal and a penalty up to ₹ 2.5 billion may be levied for non-compliance of provisions by data fiduciaries

***The Trademarks Act, 1999 ("Trademarks Act")***

Trademarks enjoy protection under both statutory and common law and Indian trademark law permits the registration of trademarks for both goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individually or jointly, and can be made on the basis of either actual use or intention to use a trademark in the future.

Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks. Further, pursuant to the notification of the Trademark (Amendment) Act, 2010 simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark (Amendment) Act, 2010 provides for simultaneous protection of trademark in India and other countries which has been made available to owners of Indian and foreign trademarks. The Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law with international practice.

***Consumer Protection Act, 2019 ("COPRA")***

COPRA is preceded by the Consumer Protection Act, 1986. COPRA aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA has extended the definition of a 'consumer' to include purchase of goods or services through an offline and online transaction, and provides a mechanism for the consumer to file a complaint against a service provider in cases of, inter alia, unfair trade practices, restrictive trade practices, deficiency in services and price charged being unlawful. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties. The COPRA has also brought e-commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online market places and online auction sites.

The Ministry of Consumer Affairs, Food and Public Distribution issued the Consumer Protection (E-Commerce) Rules, 2020 ("E-Commerce Rules") under the COPRA on July 23, 2020 which govern the online sale of goods, services, digital products by entities which own, operate or manage digital or electronic facility or platform for electronic commerce ("E-Commerce Entities"), all models of e-commerce (including marketplace or inventory model), and all ecommerce sellers. The E-Commerce Rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers

***The Sale of Goods Act, 1930 (the "Sale of Goods Act")***

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e. the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods. which are the subject matter of the provision of the Sale of Goods Act.

***Indian Contract Act, 1872***

Indian Contract Act governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; competency of people to contract, additionally, revocation, and contract formation between consumers, sellers, and intermediaries. The terms of service, privacy policy, and return policies of any online platform are legally binding agreements and often governed by provisions of the Indian Contract Act, 1872. However, the law is not updated yet to deal with electronic contracts, where there is absence of online signatures.

***Environmental Regulations***

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

The environment related laws along with their respective rules/regulations that may be applicable to the operations of our Company include:

1. The Environment (Protection) Act, 1986 ("EPA")

2. Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

3. Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

4. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 ("Hazardous Wastes Rules")

5. The Battery Waste Management Rules, 2022

6. Plastic Waste management Rules, 2016

7. E-Waste (Management) Rules, 2022

***Laws relating to taxation***

The tax related laws along with their respective rules that may be applicable to the operations of our Company include:

1. The Income tax Act 1961, as amended by the Finance Act in respective years;

2. Central Goods and Services Tax Act, 2017, (along with the various state-wise legislations issued thereunder);

3. The Integrated Goods and Service Tax Act, 2017;

4. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;

5. Indian Stamp Act, 1899 and various state-specific legislations made thereunder

6. The Customs Act, 1962

***Laws governing foreign investments***

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules along with the FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

***Laws relating to Employment***

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Employees Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Code of Wages, 2019;
- The Occupational Safety, Health and Working Conditions Code, 2020;
- The Industrial Relations Code, 2020;
- The Code on Social Security, 2020; and
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Factories Act, 1948.

**National Policy on Electronics, 2019 ("NPE, 2019")**

The NPE, 2019 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. The NPE 2019 replaces the National Policy of Electronics, 2012. The NPE 2019 when implemented will lead to the formulation of several schemes, initiatives, projects, in consultation with the concerned Ministries/Departments, for the development of the ESDM sector in the country. It will enable the flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products, and increased electronics hardware manufacturing in the country and their export while generating substantial employment opportunities.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as "*GNG Electronics Private Limited*" under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 19, 2006, issued by the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed by our Shareholders at the extraordinary general meeting held on October 23, 2024, following which the name of our Company was changed to "*GNG Electronics Limited*" and a fresh certificate of incorporation pursuant to change of name under the Companies Act, 2013 was issued by RoC, on November 20, 2024.

### Changes in our Registered Office

As on the date of this Draft Red Herring Prospectus, the registered office of our Company is situated at Unit No. 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India. Except as disclosed below, there has been no change in the registered office of our Company since its incorporation.

| Date of Change | Details of change in the registered office | Reasons for change |
|---|---|---|
| July 26, 2013 | The registered office of our Company was changed from 5A, Abid House, 323, Lamington Road, Grant Road, Mumbai, Maharashtra India, 400007 to Unit No 415, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069, Maharashtra, India. | Administrative Convenience |

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

| Clause | Particulars |
|---|---|
| **IIIA** | *1. To carry on the business of procuring, repair, servicing, improving, refurbishing, trading, distribution, marketing, renting, leasing, sale, purchase, import and export of all kinds of Information and Communication Technology (ICT) devices, including but not limited to computers, laptops, mobile phones, tablets, printers, networking equipment and other electronic gadgets both wholesale and retail within domestic and international markets and to provide related services for such devices.*<br><br>*2. To carry on the business of manufacture, import, export, alter, convert, modify, buy, sell, improve, repair or otherwise deal in any other manner in electronic systems such as computers, computer accessories, computer parts, office stationaries, printers, type writes, data processing equipment and gadgets used for or in connection with any of the aforesaid matters or products and to develop, design, refurbish, improve and sell or otherwise give on hire and to act as computer specialists, counsellors, advisors and to do all and anything required in connection with manufacture, sell, assembly, integration, arrangement, installation and operating computers, software and hardware, programming, data processing, giving and or taking on hire computer and in other matters as may be necessary for in relation to the business of computers.*<br><br>*3. To engage in the recycling, disposal and environmental management of ICT devices.* |

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

### Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years:

| Date of Shareholders' resolution | Particulars |
|---|---|
| March 28, 2014 | Increase of authorised share capital from ₹ 10,00,000 divided in 1,00,000 equity shares of ₹ 10 each to ₹ 2,00,00,000 divided in 20,00,000 Equity Shares of ₹ 10. |
| October 23, 2024 | Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from "*GNG Electronics Private Limited*" to "*GNG Electronics Limited*" |
| November 22, 2024 | Increase of authorised share capital from ₹ 2,00,00,000 divided in 20,00,000 equity shares of ₹ 10 to ₹ 25,00,00,000/- (Rupees twenty-five crores only) divided into 2,50,00,000 (two crores and fifty lakhs only) equity shares of face value ₹ 10/- (Rupees ten only) each. |
| December 3, 2024 | The face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the authorised share capital of our Company, being 25,000,000 equity shares of ₹ 10 each was split into 125,000,000 Equity Shares of ₹ 2 each. |
| December 5, 2024 | Existing object clause IIIA of the MoA was substituted by the following clause: |

| Date of Shareholders' resolution | Particulars |
|---|---|
| | *1. To carry on the business of procuring, repair, servicing, improving, refurbishing, trading, distribution, marketing, renting, leasing, sale, purchase, import and export of all kinds of Information and Communication Technology (ICT) devices, including but not limited to computers, laptops, mobile phones, tablets, printers, networking equipment and other electronic gadgets both wholesale and retail within domestic and international markets and to provide related services for such devices.*<br><br>*2. To carry on the business of manufacture, import, export, alter, convert, modify, buy, sell, improve, repair or otherwise deal in any other manner in electronic systems such as computers, computer accessories, computer parts, office stationaries, printers, type writes, data processing equipment and gadgets used for or in connection with any of the aforesaid matters or products and to develop, design, refurbish, improve and sell or otherwise give on hire and to act as computer specialists, counsellors, advisors and to do all and anything required in connection with manufacture, sell, assembly, integration, arrangement, installation and operating computers, software and hardware, programming, data processing, giving and or taking on hire computer and in other matters as may be necessary for in relation to the business of computers.*<br><br>*3. To engage in the recycling, disposal and environmental management of ICT devices.* |

**Major events and milestones of our Company**

The table below sets forth some of the key events in our history:

| Calendar Year | Milestone |
|---|---|
| 2016 | Started operations at our facility in Mumbai, India, spread across 1,200 square feet |
| 2017 | Established operations at our Sharjah, UAE facility spread across 4,305.56 square feet |
| 2018 | Extended our operation facility to 21,969 square feet facility in Nerul, Navi Mumbai |
| 2022 | Expanded our Sharjah, UAE facility to an additional 4,305.56 square feet |
| 2022 | Crossed ₹ 5,000 million in turnover |
| 2023 | Expanded our operations in Juhinagar, Navi Mumbai, to a warehouse spread across 25,600 square feet. |
| 2023 | Expanded two additional facilities of 6,458.35 square feet each (total of 12,916.70 square feet), bringing our combined total facilities in Saif Zone, covering 21,527.82 square feet |
| 2024 | Established operations at our Dallas, Texas, USA facility spread across 11,000 square feet |

**Awards, accreditations, and recognition**

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

| Calendar Year | Awards, accreditations, and recognition |
|---|---|
| 2018 | Certified as '*Microsoft Authorised Refurbisher*' by Microsoft |
| 2021 | Received certification under ISO 9001:2015 |
| 2021 | Received certification under ISO/IEC 27001:2013 |
| 2021 | Received certification under ISO 14001:2015 |
| 2021 | Received certification under ISO 45001:2018 |
| 2022 | Received certificate of registration from Perry Johnson Registrars, INC. for conformance with the sustainable electronics reuse and recycling (R2) standard as applied by the R2 code of practices. |
| 2023 | Certified as '*Certified Refurbishment Partner*' by HP India Sales Private Limited |
| 2024 | Certified as '*Certified Refurbishment Partner*' by Lenovo Global Technology (India) Private Limited |

**Significant financial and strategic partnerships**

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

**Time/cost overrun in setting up projects**

There has been no time or cost overrun in respect of our business operations.

**Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks**

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our borrowings from lenders.

**Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of projects**

For details of key products offered by our Company, entry into new geographies or exit from existing markets or capacity/facility creation, location of projects, see "*Our Business*" on page 169.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years**

Except as disclosed above, there have not been any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus:

***Business transfer agreement dated February 17, 2020 ("BTA") between our Company and Amiable Electronics Private Limited ("AEPL")***

Our Company and Amiable Electronics Private Limited, one of our Promoters ("**AEPL**") entered into a business transfer agreement dated February 17, 2020 ("**BTA**") for the sale, assignment, conveyance and transfer of AEPL's business on an as is where is basis and as a going concern in exchange for allotment 22,216 equity shares of face value of ₹10 each of our Company to Amiable Electronics Private Limited . The key terms of the BTA are as follows:

***Sale of Business*****:** Our Company purchased the business of AEPL as a going concern and free from all encumbrances along with all business assets and liabilities recorded in its books of accounts.

***Purchase Price***: Our Company allotted 22,216 equity shares of face value of ₹10 each of our Company to AEPL as full and final consideration for transfer of the business of AEPL at a price of ₹ 8,694.00 per equity share.

***Relationship between our Promoters or Directors and AEPL***

As on date of this Draft Red Herring Prospectus, Sharad Khandelwal and Vidhi Sharad Khandelwal and Kay Kay Overseas Corporation hold 13.86%, 13.86% and 72.28% respectively of the issued, paid-up and subscribed equity share capital of AEPL, one of our Promoters.

Further, Sharad Khandelwal and Vidhi Sharad Khandelwal are directors on the board of AEPL.

***Summarized information about valuation***

Our Company had not availed any valuation report pursuant to the execution of the BTA and for the sale, assignment, conveyance and transfer of AEPL's business on an as is where is basis and as a going concern to our Company.

***Effective date of transaction***

The sale and purchase of the business under the BTA was completed on January 31, 2020.

**Guarantees provided to third parties by our Promoters Selling Shareholders**

Except as stated below, there have been no guarantees issued by our Promoter Selling Shareholders to third parties.

| Sr. no | Name of guarantor | Name of borrower/ guarantee issued for | Name of the lender | Date of the guarantee | Amount sanctioned as on September 30, 2024 | Amount outstanding as on September 30, 2024 | Obligations on the Company | Financial implications in case of default | Period of guarantee | Consideration |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Sharad Khandelwal | Company | HDFC Bank Limited | February 23, 2022 | 425.00 | 423.12 | 425.00 | 423.12 | Until repayment | Nil |
| 2. | Sharad Khandelwal | Company | HDFC Bank Limited | March 04, 2024 | 300.00 | 195.31 | 300.00 | 195.31 | Until repayment | Nil |
| 3. | Sharad Khandelwal | Company | Axis Bank Limited | November 20, 2023 | 440.00 | 438.21 | 440.00 | 438.21 | Until repayment | Nil |
| 4. | Sharad Khandelwal | Company | CITI BANK N.A. | July 18, 2023 | 450.00 | 434.02 | 450.00 | 434.02 | Until repayment | Nil |

| Sr. no | Name of guarantor | Name of borrower/ guarantee issued for | Name of the lender | Date of the guarantee | Amount sanctioned as on September 30, 2024 | Amount outstanding as on September 30, 2024 | Obligations on the Company | Financial implications in case of default | Period of guarantee | Consideration |
|---|---|---|---|---|---|---|---|---|---|---|
| 5. | Sharad Khandelwal | Company | Federal Bank Limited | November 21 20224 | 260.00 | 165.39 | 260.00 | 165.39 | Until repayment | Nil |
| 6. | Sharad Khandelwal | Company | DBS Bank India Limited | October 25, 2023 | 300.00 | 284.05 | 300.00 | 284.05 | Until repayment | Nil |
| 7. | Sharad Khandelwal | Company | ICICI Bank Limited | July 24, 2024 | 430.00 | 247.18 | 430.00 | 247.18 | Until repayment | Nil |
| 8. | Sharad Khandelwal | Company | Kotak Mahindra Bank Limited | July 27, 2024 | 510.00 | 378.62 | 510.00 | 378.62 | Until repayment | Nil |
| 9. | Sharad Khandelwal | Company | IDFC First Bank Limited | August 02, 2024 | 400.00 | 383.81 | 400.00 | 383.81 | Until repayment | Nil |
| 10. | Sharad Khandelwal | Company | Emirates Islamic Bank | August 09, 2023 | 159.53 | 156.27 | 159.53 | 156.27 | Until repayment | Nil |
| 11. | Sharad Khandelwal | Company | Rak Bank | October 03, 2023 | 79.77 | 55.82 | 79.77 | 55.82 | Until repayment | Nil |
| 12. | Sharad Khandelwal | Company | HDFC Bank Limited | August 06, 2024 | 770.00 | 686.89 | 770.00 | 686.89 | Until repayment | Nil |
| 13. | Sharad Khandelwal | Company | Abudhabi Islamic Bank | June 20, 2024 | 227.90 | 18.60 | 227.90 | 18.60 | Until repayment | Nil |
| 14. | Sharad Khandelwal | Company | Commercial Bank of Dubai | February 05, 2024 | 227.90 | 218.90 | 227.90 | 218.90 | Until repayment | Nil |
| 15. | Sharad Khandelwal | Company | Axis Bank Limited | March 18, 2021 | 85.30 | 49.10 | 85.30 | 49.10 | Until repayment | Nil |
| 16. | Sharad Khandelwal | Company | HDFC Bank Limited | January 04, 2021 | 96.36 | 53.88 | 96.36 | 53.88 | Until repayment | Nil |
| 17. | Sharad Khandelwal | Kay Kay Overseas Corporation | ICICI Bank Limited | August 02, 2023 | 950.00 | 795.10 | Nil | Nil | Until repayment | Nil |
| 18. | Sharad Khandelwal | Kay Kay Overseas Corporation | AXIS Bank Limited | December 21,2023 | 850.20 | 535.89 | Nil | Nil | Until repayment | Nil |
| 19. | Sharad Khandelwal | Kay Kay Overseas Corporation | Tata Capital Limited | February 05, 2024 | 720.00 | 715.52 | Nil | Nil | Until repayment | Nil |
| 20. | Sharad Khandelwal | Kay Kay Overseas Corporation | HDFC Bank Limited | March 04, 2024 | 2116.09 | 1526.86 | Nil | Nil | Until repayment | Nil |
| 21. | Sharad Khandelwal | Kay Kay Overseas Corporation | IDFC First Bank Limited | July 29, 2024 | 550.00 | 443.90 | Nil | Nil | Until repayment | Nil |
| 22. | Vidhi Sharad Khandelwal | Company | HDFC Bank Limited | February 23, 2022 | 425.00 | 423.12 | 425.00 | 423.12 | Until repayment | Nil |
| 23. | Vidhi Sharad Khandelwal | Company | HDFC Bank Limited | March 04, 2024 | 300.00 | 195.31 | 300.00 | 195.31 | Until repayment | Nil |
| 24. | Vidhi Sharad Khandelwal | Company | Axis Bank Limited | November 20, 2023 | 440.00 | 438.21 | 440.00 | 438.21 | Until repayment | Nil |

| Sr. no | Name of guarantor | Name of borrower/ guarantee issued for | Name of the lender | Date of the guarantee | Amount sanctioned as on September 30, 2024 | Amount outstanding as on September 30, 2024 | Obligations on the Company | Financial implications in case of default | Period of guarantee | Consideration |
|---|---|---|---|---|---|---|---|---|---|---|
| 25. | Vidhi Sharad Khandelwal | Company | CITI BANK N.A. | July 18, 2023 | 450.00 | 434.02 | 450.00 | 434.02 | Until repayment | Nil |
| 26. | Vidhi Sharad Khandelwal | Company | Federal Bank Limited | November 21 20224 | 260.00 | 165.39 | 260.00 | 165.39 | Until repayment | Nil |
| 27. | Vidhi Sharad Khandelwal | Company | DBS Bank India Limited | October 25, 2023 | 300.00 | 284.05 | 300.00 | 284.05 | Until repayment | Nil |
| 28. | Vidhi Sharad Khandelwal | Company | ICICI Bank Limited | July 24, 2024 | 430.00 | 247.18 | 430.00 | 247.18 | Until repayment | Nil |
| 29. | Vidhi Sharad Khandelwal | Company | Kotak Mahindra Bank Limited | July 27, 2024 | 510.00 | 378.62 | 510.00 | 378.62 | Until repayment | Nil |
| 30. | Vidhi Sharad Khandelwal | Company | IDFC First Bank Limited | August 02, 2024 | 400.00 | 383.81 | 400.00 | 383.81 | Until repayment | Nil |
| 31. | Vidhi Sharad Khandelwal | Company | Emirates Islamic Bank | August 09, 2023 | 159.53 | 156.27 | 159.53 | 156.27 | Until repayment | Nil |
| 32. | Vidhi Sharad Khandelwal | Company | Rak Bank | October 03, 2023 | 79.77 | 55.82 | 79.77 | 55.82 | Until repayment | Nil |
| 33. | Vidhi Sharad Khandelwal | Company | HDFC Bank Limited | August 06, 2024 | 770.00 | 686.89 | 770.00 | 686.89 | Until repayment | Nil |
| 34. | Vidhi Sharad Khandelwal | Company | Abudhabi Islamic Bank | June 20, 2024 | 227.90 | 18.60 | 227.90 | 18.60 | Until repayment | Nil |
| 35. | Vidhi Sharad Khandelwal | Company | Commercial Bank of Dubai | February 05, 2024 | 227.90 | 218.90 | 227.90 | 218.90 | Until repayment | Nil |
| 36. | Vidhi Sharad Khandelwal | Company | Axis Bank Limited | March 18, 2021 | 85.30 | 49.10 | 85.30 | 49.10 | Until repayment | Nil |
| 37. | Vidhi Sharad Khandelwal | Company | HDFC Bank Limited | January 04, 2021 | 96.36 | 53.88 | 96.36 | 53.88 | Until repayment | Nil |
| 38. | Vidhi Sharad Khandelwal | Kay Kay Overseas Corporation | ICICI Bank Limited | August 02, 2023 | 950.00 | 795.10 | Nil | Nil | Until repayment | Nil |
| 39. | Vidhi Sharad Khandelwal | Kay Kay Overseas Corporation | AXIS Bank Limited | December 21,2023 | 850.20 | 535.89 | Nil | Nil | Until repayment | Nil |
| 40. | Vidhi Sharad Khandelwal | Kay Kay Overseas Corporation | Tata Capital Limited | February 05, 2024 | 720.00 | 715.52 | Nil | Nil | Until repayment | Nil |
| 41. | Vidhi Sharad Khandelwal | Kay Kay Overseas Corporation | HDFC Bank Limited | March 04, 2024 | 2116.09 | 1526.86 | Nil | Nil | Until repayment | Nil |
| 42. | Vidhi Sharad Khandelwal | Kay Kay Overseas Corporation | IDFC First Bank Limited | July 29, 2024 | 550.00 | 443.90 | Nil | Nil | Until repayment | Nil |

**Key terms of other subsisting material agreements**

Except as disclosed under " - *Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*" , there are no agreements/ arrangements and clauses/ covenants which are material and have a bearing on the investment decision made by an investor

**Inter-se agreements between Shareholders**

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses/ covenants which are material in nature and that there are no other clauses/ covenants which are adverse/ pre-judicial to the interests of the minority/ public shareholders. There are no other agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements or agreements of like nature.

There are no other agreements/arrangements entered into by our Company or clauses/covenants applicable to our Company which are material, not in the ordinary course of business and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer.

**Agreements with Key Managerial Personnel or Senior Managerial Personnel or Directors or Promoters or any other employee**

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Managerial Personnel or Directors or Promoters 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 regarding compensation or profit sharing in connection with dealings in the securities of our Company.

**Holding company**

Amiable Electronics Private Limited, one of our Promoters, is our holding company. For details in relation to its nature of business, capital structure and shareholding pattern, please see "*Our Promoter and Promoter Group*" on page 223.

**Our Subsidiaries**

As on the date of this Draft Red Herring Prospectus, our Company has one direct subsidiary and five step down subsidiaries The details of our direct subsidiary are set forth below:

**1. Electronics Bazaar FZC ("EB FZC")**

*Corporate Information*

EB FZC, a company incorporated and registered as a company with Limited Liability under the laws of United Arab Emirates, on April 16, 2017, with the Government of Sharjah - Sharjah Airport International Free Zone. The registration number of EB FZC is 19174. Its registered office is situated at T5 103 SAIF Zone, P.O Box 124802, Sharjah U.A.E.

*Nature of Business*

EB FZC is engaged in the business of general trading and repair and refurbishment of laptop, phones and IT products, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of EB FZC is as follows:

| Particulars | Number of equity shares of AED 1,000 each | Amount (AED) |
|---|---|---|
| Authorised share capital | 7,490 | 7,490,000 |
| Issued, subscribed and paid-up share capital | 7,490 | 7,490,000 |

*Shareholding Pattern*

The shareholding pattern of EB FZC is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares of ₹ AED 1,000 each | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Our Company | 7,460 | 99.60% |
| 2. | Sharad Khandelwal | 30 | 0.40% |
| **Total** | | **7,490** | **100.00%** |

*Financial Information*

The financial information for the Fiscals 2024, 2023, and 2022 of EB FZC, as derived from the audited financial statements of its respective years, are as follows:

*(in ₹ million)*

| Particulars | As of and for the Fiscal ended | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Equity share capital | 147 | 147 | 147 |
| Net worth | 1,002.23 | 592.90 | 344.78 |
| Revenue from operations | 5,568.88 | 3,315.90 | 2,082.80 |
| Profit/ (loss) after tax for the year | 415.25 | 248.80 | 140.15 |
| Total borrowings | 834.77 | 253.66 | - |

The details of our step-down subsidiaries are set forth below:

**2. Sun Electronics Corporation, USA ("SEI")**

*Corporate Information*

SEI was incorporated as a domestic for-profit corporation under the laws of State of Texas on July 9, 2024, with the Office of the Secretary of State laws of State of Texas. The entity identification number of SEI is 99-3929225 and its registered office is situated at 151 Regal Row, Suite 201, Dallas, TX 75247.

*Nature of Business*

SEI is engaged in the business of general trading, refurbishment and repair of laptops, phones and related products as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of SEI is as follows:

| Particulars | Number of equity shares with no par value | Amount |
|---|---|---|
| Authorised share capital | 200 | At no par value |
| Issued, subscribed and paid-up share capital | 200 | At no par value |

*Shareholding Pattern*

The shareholding pattern of SEI is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares with no par value | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Electronics Bazaar FZC | 200 | 100 |
| **Total** | | **200** | **100** |

*Financial Information*

As SEI has been incorporated on July 9, 2024, financial information for last three Fiscals is not available.

**3. Kay Kay Overseas Corporation, USA ("KKOC USA")**

*Corporate Information*

KKOC USA was incorporated as a domestic for-profit corporation under the law of State of Texas on July 9, 2024 with the Office of the Secretary State of Texas.The entity identification number of KKOC USA is 99-3943149 and its registered office is situated at 151 Regal Row, Suite 201, Dallas, TX 75247.

*Nature of Business*

KKOC USA is engaged in the business of general trading, refurbishment & repair of laptops, phones and related products, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of KKOC USA is as follows:

| Particulars | Number of equity shares with no par value | Amount |
|---|---|---|
| Authorised share capital | 200 | At no par value |
| Issued, subscribed and paid-up share capital | 200 | At no par value |

*Shareholding Pattern*

The shareholding pattern of KKOC USA is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares with no par value | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Electronics Bazaar FZC | 200 | 100 |
| **Total** | | **200** | **100** |

*Financial Information*

As KKOC USA was incorporated on July 9, 2024, financial information for last three Fiscals is not available.

### 4. Bright World Technologies Inc., USA ("BWT")

*Corporate Information*

BWT was incorporated as a domestic for-profit corporation under the laws of State of Texas on November 14, 2022 with the Office of the Secretary State of Texas. The entity identification number of BWT is 92-1775566 and its registered office is situated at 850 N Lake Dr, Coppel TX USA 75019.

*Nature of Business*

BWT is engaged in the business of general trading, refurbishment & repair of laptops, phones and related products, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of BWT is as follows:

| Particulars | Number of equity shares with no par value | Amount |
|---|---|---|
| Authorised share capital | 200 | At no par value |
| Issued, subscribed and paid-up share capital | 200 | At no par value |

*Shareholding Pattern*

The shareholding pattern of BWT is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares of with no par value | Percentage of total equity holding (%) |
|---|---|---|---|
| 1. | Electronics Bazaar FZC | 200 | 100.00 |
| **Total** | | **200** | **100.00** |

*Financial Information*

The financial information for the Fiscals 2024, 2023, and 2022 of BWT, as derived from the unaudited financial statements of its respective years, are as follows:

*(in ₹ million)*

| Particulars | As of and for the Fiscal ended | | |
|---|---|---|---|
| | March 31, 2024# | March 31, 2023# | March 31, 2022* |
| Equity share capital | - | Nil | NA |
| Net worth | 1.16 | Nil | NA |
| Revenue from operations | 75.70 | Nil | NA |
| Profit/ (loss) after tax for the year | 1.16 | Nil | NA |
| Total borrowings (including lease liabilities) | - | Nil | NA |

\# *BWT does not have any mandatory audit requirement under the law of the country in which it has been incorporated. Accordingly, the financial information for the Fiscal 2024 and Fiscal 2023 are based on the unaudited financial statements of respective years.*

* *BWT was incorporated on November 14, 2022, accordingly the financial information for the Fiscal 2022 is not available.*

### 5. Electronics Bazaar B.V. ("EBB")

*Corporate Information*

EBB was incorporated as a domestic for-profit corporation under the Dutch law on August 5, 2024. The establishment number of EBB is 000060094346 and its registered office is situated at Jan Pietersz, Coensstraat 7, 2595 WP - Gravenhage The Hauge, Netherlands.

*Nature of Business*

Electronics Bazaar B.V. is engaged in the business of general trading, refurbishment & repair of laptops, phones and related products, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of EBB is as follows:

| Particulars | Number of equity shares of Euro 0.01 each | Amount (Euro) |
|---|---|---|
| Authorised share capital | 100 Shares | 1 |
| Issued, subscribed and paid-up share capital | 100 Shares | 1 |

*Shareholding Pattern*

The shareholding pattern of EBB is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares of Euro 0.01 each | Percentage of total equity share holding (%) |
|---|---|---|---|
| 1. | Electronics Bazaar FZC | 100 Shares | 100.00 |
| **Total** | | **100 Shares** | **100.00** |

*Financial Information*

As EBB was incorporated on August 5, 2024, accordingly the financial information for last three Fiscals is not available.

### 6. Electronics Bazar INC (Canada) ("EB INC")

*Corporate Information*

EB INC was incorporated as a private company under the Business Corporation Act on May 14, 2024 with the Registrar of Corporations. Its business number is 2026112207 and its registered office is situated at 206-110 11th AVE SW Calgary, Alberta, T2R 0B8.

*Nature of Business*

EB INC is engaged in the business of general trading, refurbishment & repair of laptops, phones and related products, as authorized under the objects clause of its memorandum of association.

*Capital Structure*

The capital structure of EB INC is as follows:

| Particulars | Number of equity shares at no par value | Amount |
|---|---|---|
| Authorised share capital | 100 | No par value |
| Issued, subscribed and paid-up share capital | 100 | No par value |

*Shareholding Pattern*

The shareholding pattern of EB INC is as follows:

| S. No. | Name of the equity shareholder | Number of equity shares at no par value | Percentage of total equity share holding (%) |
|---|---|---|---|
| 1. | Electronics Bazaar FZC | 100 | 100 |

| S. No. | Name of the equity shareholder | Number of equity shares at no par value | Percentage of total equity share holding (%) |
|---|---|---|---|
| **Total** | | **100** | **100** |

*Financial Information*

As EB INC was incorporated on May 14, 2024, the financial information for last three Fiscals is not available.

***Our Joint ventures***

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

***Our Associates***

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

There is no conflict of interest between third party service providers (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and Group Company and their directors.

There is no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Subsidiaries and Group Company and their directors.

**Common pursuits**

Our Subsidiaries are engaged in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst them and our Company. Our Company has adopted the necessary procedures and practices as permitted by law and regulatory guidelines to address conflict situations as and when they arise.

**Business interest between our Company and our Subsidiaries**

Except as stated in "*Our Business*" and "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24"* on pages 196 and 273, respectively, none of our Subsidiaries, have any business interest in our Company.

**Accumulated profits or losses**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries that have not been accounted for or consolidated by our Company.

**Other confirmations**

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, none of our Subsidiaries have been refused listing in the last ten years 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.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have six Directors on our Board, of whom two are Independent Directors, including one woman Independent Director. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

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

| Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Other directorships |
|---|---|---|
| **Sharad Khandelwal**<br><br>*Designation*: Managing Director<br><br>*Date of birth*: August 23, 1971<br><br>*Address*: A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India.<br><br>*Occupation*: Business<br><br>*Nationality:* Indian<br><br>*Current term*: Five years with effect from November 22, 2024<br><br>*Period of directorship*: Since October 19, 2006<br><br>*DIN*: 03282602 | 53 | **Indian companies**:<br><br>• Amiable Electronics Private Limited<br><br>**Foreign companies**:<br><br>• Electronics Bazaar FZC<br><br>• Electronics Bazar Inc. (USA)<br><br>• Bright World Technologies INC<br><br>• Electronics Bazaar B.V.<br><br>• Sun Electronics Corporation<br><br>• Electronics Bazar INC, (Canada)<br><br>• Kay Kay Overseas Corporation (USA) |
| **Amit Midha**<br><br>*Designation*: Non-Executive Non-Independent Director<br><br>*Date of birth*: September 23, 1970<br><br>*Address*: House 11 Ardmore Park 29-01 Tower 2, Ardmore Park Luxury Apts. Singapore – 259957.<br><br>*Occupation*: Business<br><br>*Nationality:* Citizen of Republic of Singapore, Overseas Citizen of India<br><br>*Current term*: Liable to retire by rotation<br><br>*Period of directorship*: Since November 22, 2024<br><br>*DIN*: 09344884 | 54 | **Indian companies**:<br><br>• Nil<br><br>**Foreign companies**:<br><br>• First Give Technologies (USA) |
| **Ajay Pancholi**<br><br>*Designation*: Non-Executive Non-Independent Director<br><br>*Date of birth*: December 20, 1971<br><br>*Address*: B-5301, Raheja Imperia 1 Shankar Rao Naram Path Opp World Tower BMC Parking Gate Worli, Lower Parel Mumbai – 400013, Maharashtra, India.<br><br>*Occupation*: Business | 52 | **Indian companies**:<br><br>• Shreyayush Properties Private Limited<br><br>• Shivalik Engineering Industries Limited<br><br>**Foreign companies**:<br><br>• Nil |

| Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Other directorships |
|---|---|---|
| *Nationality:* Indian<br><br>*Current term*: Liable to retire by rotation<br><br>*Period of directorship*: Since October 8, 2024<br><br>*DIN*: 05168823 | | |
| **Vidhi Sharad Khandelwal**<br><br>*Designation*: Non-Executive Director<br><br>*Date of birth*: October 7, 1973<br><br>*Address*: A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India.<br><br>*Occupation*: Business<br><br>*Nationality:* Citizen of United States of America, Overseas Citizen of India<br><br>*Current term*: Liable to retire by rotation<br><br>*Period of directorship*: Since October 19, 2006<br><br>*DIN*: 03285189 | 51 | **Indian companies**:<br><br>• Amiable Electronics Private Limited<br><br>**Foreign companies**:<br><br>• Nil |
| **Sheetalkumar Dak**<br><br>*Designation*: Independent Director<br><br>*Date of birth*: October 18, 1962<br><br>*Address*: Oberoi Eternia, C-2806, 28th Floor, LBS Road, Near Johson and Johnson Garden, Mulund (West), Mumbai - 400 080, Maharashtra, India.<br><br>*Occupation*: Business<br><br>*Nationality:* Indian<br><br>*Current term*: Five years with effect from November 22, 2024<br><br>*Period of directorship*: Since November 22, 2024<br><br>*DIN*: 00017579 | 62 | **Indian companies**:<br><br>• Nil<br><br>**Foreign companies**:<br><br>• Nil |
| **Rinku Vikas Arora**<br><br>*Designation*: Chairperson and Independent Director<br><br>*Date of birth*: May 16, 1972<br><br>*Address*: Flat no 705, Raheja Crest 1, Andheri Link Road, Behind Infiniti Mall Andheri West, Azad Nagar, Mumbai – 400053, Maharashtra, India.<br><br>*Occupation*: Business<br><br>*Nationality:* Indian<br><br>*Current term*: Five years with effect from November 22, 2024,<br><br>*Period of directorship*: Since November 22, 2024 | 52 | **Indian companies**:<br><br>• Princeton Academy Mumbai II Private Limited<br><br>**Foreign companies**:<br><br>Nil |

| Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Other directorships |
|---|---|---|
| *DIN*: 01881530 | | |

**Brief profiles of our Directors**

**Sharad Khandelwal**, aged 53 years, is the Managing Director of our Company. He holds a bachelor's degree in commerce from Jiwaji University, Gwalior. He is member of the Institute of Chartered Accountants of India and held all India rank six in the final examination conducted by ICAI during the year 1994. He has 29 years of experience in the information and communication technology industry. He is responsible for formulation of business strategies and overall leadership and management of our Company in India and international markets.

**Amit Midha,** aged 54 years, is a Non-Executive Non- Independent Director of our Company. He holds a bachelor's degree in engineering (industrial and production) from Shri Govindram Seksaria Institute of Technology and Science, Devi Ahilya Vishwavidhyalaya, Indore and a master's degree in science (industrial engineering) from University of Missouri, USA. He is the CEO of Alat, a public investment fund company, Kingdom of Saudi Arabia. He has more than 29 years of experience and has held the position of regional president at Dell Technologies and held various leadership roles at Dell Technologies across United States of America, and Asia-Pacific region.

**Ajay Pancholi** aged 52 years is a Non-Executive Non- Independent Director in our Company. He holds a bachelor's degree in commerce from the Chinai College of Commerce and Economics, University of Bombay. He is also a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has more than 25 years of experience as an investment banker. He is currently associated with Aelius Ace Solutions LLP as a partner. He was associated with ICICI Securities and Finance Company Limited, DSP Merrill Lynch Limited, GMR Infrastructure Limited, Edelweiss Financial Services Limited and HDFC Bank Limited.

**Vidhi Sharad Khandelwal,** aged 51 years, is a Non-Executive Director of our Company. She holds a bachelor's degree in arts from University Maharani College, Jaipur, University of Rajasthan. She has 24 years of business experience.

**Sheetalkumar Dak,** aged 62 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Government College, Chittorgarh, University of Rajasthan. He is also a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He is the founder and Proprietor of M/s. S. Dak & Associates, Practicing Company Secretary. He has over 30 years of experience as a Company Secretary and has experience in the field of commerce, legal, finance and management consulting.

**Rinku Vikas Arora,** aged 52 years, is the Chairperson and an Independent Director of our Company. She holds a bachelor's degree in commerce from Narsee Monjee College of Commerce and Economics, University of Bombay and a master's degree in management studies from Narsee Monjee Institute of Management Studies, University of Bombay. She has an experience of over 28 years in the field of marketing, finance and management consultancy. She was previously associated with Zee Education - Essel Group of Industries. She is the co-founder and Director of Princeton Academy Mumbai II Private Limited.

**Relationship between our Directors**

Except for Sharad Khandelwal and Vidhi Sharad Khandelwal, who are spouses, none of our Directors are related to each other in any manner.

**Confirmations**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company

None of our Directors is, or was a director of any company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

**Arrangement or understanding with major Shareholders, customers, suppliers, or others pursuant to which to which our Directors were selected as a Director or Senior Management**

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

**Service contracts with Directors, Key Managerial Personnel and Senior Management**

Our Company has not entered into any service contracts with any Director, Key Management Personnel or Senior Management, which provide for benefits upon termination of employment.

**Terms of appointment of our Executive Director**

**Sharad Khandelwal**

Our Board at their meeting held on November 22, 2024 approved the appointment of Sharad Khandelwal as the Managing Director of our Company with effect from November 22, 2024. Our Shareholders approved such appointment at their meeting held on November 22, 2024. The following are details of the remuneration and other terms of his employment applicable with effect from November 22, 2024

a. Remuneration: ₹ 1.5 million per month

b. Overall Remuneration: The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197,198 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act for the time being in force.

c. Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure of services of the Managing Director, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Schedule V of the Companies Act, 2013."

**Terms of appointment of our Non-Executive Directors (excluding our Independent Directors)**

Our Non-executive Directors (excluding our Independent Directors) shall be paid such remuneration as may be decided by our Board from time to time.

**Terms of appointment of our Independent Directors**

Pursuant to the Board resolution and shareholders' resolution each dated November 22, 2024, the sitting fees payable to our Independent Directors for attending meetings of our Board and meetings of various committees of our Board, is ₹ 0.1 million and ₹ 0.05 million respectively, within the limits prescribed under the Companies Act, 2013, and the rules notified thereunder. Further, our Company may pay a commission to our Independent Directors within the overall maximum limit of 1% of the net profits of the Company (computed in accordance with the provisions of Section 198 of the Companies Act), as may be decided by the Board, in terms of Section 197 of the Companies Act or such other percentage as may be specified from time to time.

**Payment or benefits to our Director**

Our Company has not entered into any contract appointing or fixing the remuneration of any Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors other than the remuneration as disclosed above in "*– Terms of appointment of our Executive Director"* on page 209.

Our Company has not paid any contingent or deferred compensation to any of our Directors. The remuneration that was paid to our Directors in Fiscal 2024 is as follows:

**1. Executive Director**

The details of the remuneration paid to our Executive Director in Fiscal 2024 is set out below:

*(in ₹ million)*

| Name of Director | Designation | Remuneration |
|---|---|---|
| Sharad Khandelwal | Managing Director | 6.00 |
| Vidhi Sharad Khandelwal | Non-Executive Director | 6.00 |

**2. Non-Executive Directors**

None of our Non-Executive Directors were paid any sitting fees or commission in Fiscal 2024, since they were appointed in Fiscal 2025.

**3. Independent Directors**

None of our Independent Directors were paid any sitting fees or commission in Fiscal 2024, since they were appointed in Fiscal 2025.

**Remuneration paid or payable to our Directors by our Subsidiaries**

None of our Directors were paid any remuneration by our Subsidiaries in Fiscal 2024.

**Shareholding of Directors in our Company**

Our Articles of Association do not require our Directors to hold qualification shares.

Except as stated below, none of our Directors, hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

| Name | No. of Equity Shares of face value ₹ 2 each. | Percentage of pre-Offer paid-up share capital (%) | Percentage of post-Offer paid-up share capital (%) |
|---|---|---|---|
| Sharad Khandelwal | 1,79,65,860 | 18.50 | [●] |
| Vidhi Sharad Khandelwal | 1,79,70,870 | 18.50 | [●] |
| Amit Midha | 48,47,175 | 4.99 | [●] |

**Bonus or profit-sharing plan for our Directors**

As on date of this Draft Red Herring Prospectus, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

**Interest of Directors**

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them as approved by our Board and any commission payable to them.

Our Executive Director may be deemed to be interested to the extent of the remuneration and reimbursements payable to him by our Company and remuneration payable to him by our Subsidiaries.

Our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

Our Directors may be interested to the extent of Equity Shares, if any, held by them and their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, promoters, directors, proprietors, members, trustees or beneficiaries or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members, trustees or beneficiaries, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For details, see – **"***Shareholding of Directors in our Company"* on page 210. Our Directors (excluding Independent Directors) may also be deemed to be interested to the extent of stock options to be granted or Equity Shares to be allotted pursuant to the exercise of options to be granted to them under the ESOS 2024. For details, see "*Capital Structure – Employee Stock Option Plan*" on page 81.

Further, one of our Non-Executive Non- Independent Director, Amit Midha has granted an unsecured loan to one of our Subsidiaries, Electronics Bazaar FZC. The outstanding loan amount as on September 30, 2024 is ₹ 585.62 million.

Except for our Individual Promoters, none of our other Directors have any interest in the promotion or formation of our Company.

Our Company has entered into a leave and license agreement dated September 26, 2024 for the use of our Registered Office, with Kay Kay Overseas Corporation, one of our Promoters of which Sharad Khandelwal and Vidhi Sharad Khandelwal are partners. Except as stated above, none of our Directors have any interest in any property acquired or proposed to be acquired of or by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

None of our Directors have availed loans from our Company.

**Borrowing Powers**

Pursuant to our Articles of Association, subject to applicable provisions of the Companies Act, 2013, and the resolution passed by our Shareholders in their general meeting held on November 22, 2024 , our Board has been authorized to borrow or from time to time, any sum or sums of monies (exclusive of interest and in one or more tranches) on such terms and conditions as may be determined, from anyone or more of our Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of our Company's assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the moneys may be borrowed by our Company and outstanding at any time shall not exceed the sum of ₹ 5,000 million at any point of time.

**Changes to our Board in the last three years**

The changes to our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

| Name | Date of appointment/cessation/change in designation | Reason |
|---|---|---|
| Sharad Khandelwal | November 22, 2024 | Change in designation to Managing Director |
| Amit Midha | November 22, 2024 | Appointment as Non-Executive Non- Independent Director |
| Ajay Pancholi | October 8, 2024 | Appointment as (Additional) Non-Executive Non- Independent Director* |
| Vidhi Sharad Khandelwal | November 22, 2024 | Change in designation to Non-Executive Director |
| Sheetalkumar Dak | November 22, 2024 | Appointment as an Independent Director |
| Rinku Vikas Arora | November 22, 2024 | Appointment as Chairperson and Independent Director |

* *Regularized as a Non-Executive Non- Independent Director pursuant to resolution passed in the extra-ordinary general meeting dated November 22, 2024.*

**Corporate Governance**

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the composition of our Board and constitution of the committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

**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 Board-level committees:

1. Audit Committee;

2. Nomination and Remuneration Committee;

3. Stakeholders' Relationship Committee;

4. Corporate Social Responsibility Committee; and

5. Risk Management Committee.

### 1. *Audit Committee*

The Audit Committee was constituted pursuant to resolution of our Board dated November 28, 2024. The current constitution of the Audit Committee is as follows:

| Name of Director | Position in the committee | Designation |
|---|---|---|
| Rinku Vikas Arora | Chairperson | Chairperson and Independent Director |
| Sheetalkumar Dak | Member | Independent Director |
| Sharad Khandelwal | Member | Managing Director |

(a) The Audit Committee shall have powers, which shall be as under:

(i) To investigate any activity within its terms of reference;

(ii) To seek information from any employees;

(iii) To obtain outside legal or other professional advice;

(iv) To secure attendance of outsiders with relevant expertise, if it considers necessary and;

(v) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

(b) The role of the Audit Committee shall be as under:

(i) overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;;

(ii) recommending to the Board, the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;

(iii) reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of audit process;

(iv) approving payments to the statutory auditors for any other services rendered by statutory auditors;

(v) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(3)(c) of the Companies Act;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions;

(vii) modified opinion(s) in the draft audit report; and

(viii) qualifications and modified opinions in the draft audit report.

(vi) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vii) scrutinizing inter-corporate loans and investments

(viii) undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary

(ix) evaluation of internal financial controls and risk management systems;

(x) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(xi) approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(xii) reviewing, 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;

(xiii) reviewing, along 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 utilization of proceeds of a public or rights issue, preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter; n. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(xiv) reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

(xv) 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;

(xvi) discussing with internal auditors any significant findings and follow up thereon;

(xvii) 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;

(xviii) discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; t. looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xix) approving the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

(xx) reviewing the functioning of the whistle blower mechanism

(xxi) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

(xxii) formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

(xxiii) reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiaries exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(xxiv) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(xxv) investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

(xxvi) reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;

(xxvii) reviewing:

i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

ii. Any material default in financial obligations by the Company;

iii. Any significant or important matters affecting the business of the Company; and

(xxviii) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, listing agreements, the Companies Act or other applicable law."

(c) The Audit Committee shall mandatorily review the following information:

(i) Management discussion and analysis of financial condition and results of operations;

(ii) Management letters/letters of internal control weaknesses issued by the statutory auditors;

(iii) Internal audit reports relating to internal control weaknesses;

(iv) The appointment, removal and terms of remuneration of the chief internal auditor;

(v) The examination of the financial statements and the auditors' report thereon; and

(vi) Statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations."

(vii) The financial statements, in particular, the investments made by any unlisted subsidiary."

***2. Nomination and Remuneration Committee ("NRC")***

The NRC was constituted pursuant to resolution of our Board dated November 28, 2024. The current constitution of the NRC is as follows:

| Name of Director | Position in the committee | Designation |
|---|---|---|
| Sheetalkumar Dak | Chairperson | Independent Director |
| Rinku Vikas Arora | Member | Chairperson and Independent Director |
| Vidhi Sharad Khandelwal | Member | Non-executive Director |

The scope and function of the NRC is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;

(b) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(c) 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 the 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.

(d) Formulation of criteria for evaluation of performance of independent directors and the Board;

(e) Devising a policy on Board diversity;

(f) Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

(i) use the services of an external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(iii) consider the time commitments of the candidates;

(g) Identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of 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 reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(h) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(i) Recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;

(j) Recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

(k) Recommending to the Board, all remuneration, in whatever form, payable to senior management;

(l) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

(m) Engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

(n) Analyzing, monitoring and reviewing various human resource and compensation matters;

(o) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(p) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and

(q) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law."

### *3. Corporate Social Responsibility Committee ("CSR Committee")*

The CSR Committee was constituted pursuant to resolution of our Board dated November 28, 2024. The current constitution of the CSR Committee is as follows:

| Name of Director | Position in the committee | Designation |
|---|---|---|
| Rinku Vikas Arora | Chairperson | Chairperson and Independent Director |
| Sharad Khandelwal | Member | Managing Director |
| Ajay Pancholi | Member | Non-executive Director |

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, shall be restated as under:

(a) Formulating and recommending to the Board, the policy on corporate social responsibility ("CSR", and such policy, the "CSR Policy"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;

(b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) Recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) Formulating the annual action plan of the Company;

(e) Delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;

(f) Monitoring the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and

(g) Performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee."

### *4. Stakeholders Relationship Committee ("SRC")*

The SRC was constituted pursuant to resolution of our Board dated November 28, 2024. The current constitution of the SRC is as follows:

| Name of Director | Position in the committee | Designation |
|---|---|---|
| Rinku Vikas Arora | Chairperson | Chairperson and Independent Director |
| Sharad Khandelwal | Member | Managing Director |
| Ajay Pancholi | Member | Non-executive Director |

The scope and function of the SRC is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

(a) Redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(b) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(c) Investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;

(d) Reviewing 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;

(e) Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

(f) Formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(g) Approving, registering, refusing to register transfer or transmission of shares and other securities;

(h) Giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;

(i) Issuing duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company; and

(j) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties;

**5. *Risk Management Committee ("RMC")***

The RMC was constituted pursuant to resolution of our Board dated November 28, 2024. The current constitution of the RMC is as follows:

| Name of Director | Position in the committee | Designation |
|---|---|---|
| Rinku Vikas Arora | Chairperson | Chairperson and Independent Director |
| Sharad Khandelwal | Member | Managing Director |
| Sheetalkumar Dak | Member | Independent Director |

The scope and function of the RMC is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference shall be as follows:

(i) To formulate a detailed risk management policy which shall include:

- 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 (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks; and
- Business continuity plan.

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;

(iv) To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken

(vi) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

(vii) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;

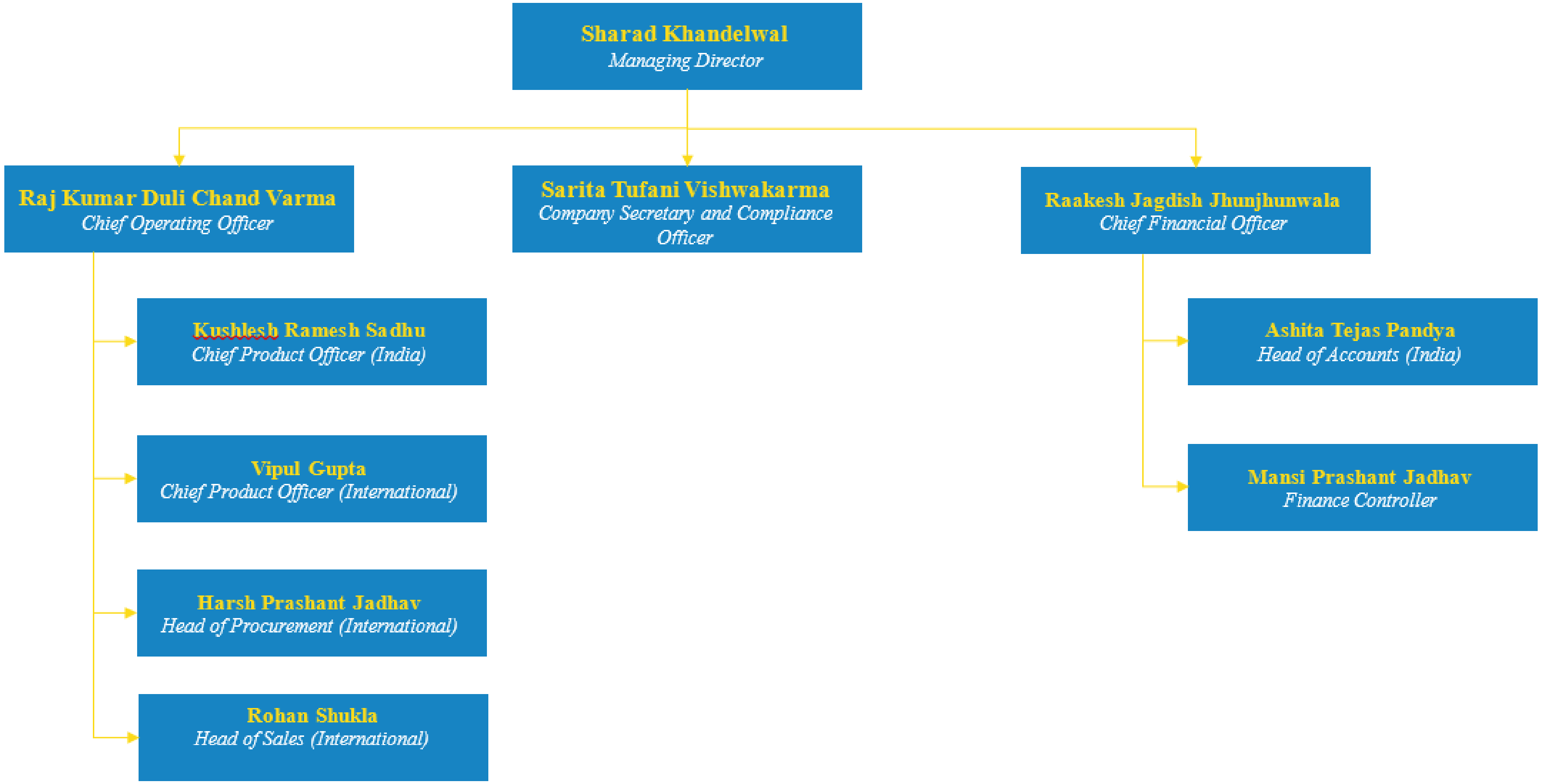
(viii) To review the status of the compliance, regulatory reviews and business practice reviews;

(ix) To review and recommend the Company's potential risk involved in any new business plans and processes;

(x) To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and

(xi) To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee."

**Management organization chart**



**Key Managerial Personnel and Senior Management**

*Brief profiles of our Key Managerial Personnel*

In addition to Sharad Khandelwal whose details are disclosed under *"– Brief profiles of our Directors*" on page 207 above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

**Raakesh Jagdish Jhunjhunwala** is the Chief Financial Officer of our Company. He has been associated with our Company since October 1, 2024. He holds a post graduate diploma in finance management and advanced diploma in business administration from Prin. L.N. Welingkar Institute of Management, Development and Research Mumbai. He is currently involved in overseeing the financial operations of the Company including banking, financial planning, risk management and financial reporting. He has more than 11 years of experience in the field of finance and accounts. As he has been appointed in Fiscal 2025, he did not receive any remuneration in Fiscal 2024 from our Company.

**Sarita Tufani Vishwakarma** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since October 8, 2024. She holds a bachelor's degree in commerce from University of Mumbai and is also a member of the Institute of Company Secretaries of India. She is currently involved in the compliance and secretarial functions in our Company. She was previously associated with Magenta EV Solutions Private Limited, Paras Defence & Space Technologies Limited. She has over 6 years of experience in the field of secretarial matters and corporate governance. As she has been appointed in Fiscal 2025, she did not receive any remuneration in Fiscal 2024 from our Company.

*Brief profiles of our Senior Management*`

In addition to Raakesh Jagdish Jhunjhunwala and Sarita Tufani Vishwakarma, whose details are provided in "- *Brief profiles of our Key Managerial Personnel"* on page 220 above, the details of other Senior Management, is set forth below:

**Raj Kumar Duli Chand Varma** is the Chief Operating Officer of Electronics Bazaar FZC and has been associated with us since October 5, 2021. He holds a bachelor's degree in commerce from University of Mumbai. He is currently responsible for overseeing daily operations and drive operational efficiency. He was previously associated with Kay Kay Overseas Corporation. He has over 24 years of experience in the field of operations. In the Fiscal Year 2024, he received a remuneration of ₹ 15.45 million from Electronics Bazaar FZC.

**Kushlesh Ramesh Sadhu** is the Chief Product Officer (India) of our Company. He has been associated with our Company since March 18, 2016. He holds a bachelor's degree in management studies from University of Mumbai and a master's degree in business administration (part time) (marketing) from Narsee Monjee Insititute of Management Studies, Mumbai. He is currently involved in development and execution of product roadmap. He was previously associated with Teamlease Services Private Limited, eSys Information & Technologies Limited, TATA Consultancy Services Limited, Hewlett-Packard India Sales Private Limited, Lenovo (India) Private Limited and QlikeTech India Private Limited He has over 17 years of experience in the field of sales and products. In the Fiscal Year 2024, he received a remuneration of ₹ 5.14 million.

**Ashita Tejas Pandya** is the Head of Accounts (India) of our Company. She has been associated with our Company since October 1, 2016. She holds a bachelor's degree in commerce from University of Mumbai and is also a member of Institute of Chartered Accountants of India. She is currently involved in managing accounting operations, ensuring company's accounting practices comply with financial regulations and standards, and audit requirements. She was previously associated with Skanem India Private Limited. She has over 13 years of experience in the field of accounts. In the Fiscal Year 2024, she received a remuneration of ₹ 1.96 million.

**Mansi Prashant Jadhav** is the Finance Controller of Electronics Bazaar FZC and has been associated with us since December 1, 2016. She holds a bachelor's degree in commerce and master's degree in commerce from University of Mumbai. She is currently involved in overseeing financial reporting and analysis, managing budgeting process and banking operations. She was previously associated with B.B Negandhi & Company. and Just Video Broadcast Private Limited. She has over 11 years of experience in the field of accounts. In the Fiscal Year 2024, she received a remuneration of ₹ 3.80 million from Electronics Bazaar FZC.

**Vipul Gupta** is the Chief Product Officer (International) of Electronics Bazaar FZC and has been associated with us with effect from April 10, 2017. In his current role, he leads the product development and management for international markets, identifying opportunities for global market expansion and adapt products to meet regional preferences. He holds a bachelor's degree in computer applications from Birla Institute of Technology, Ranchi and a master's degree in computer applications from VIT University, Tamil Nadu. He has 9 years of work experience in, among others, managing sales and procurement. Prior to joining Electronics Bazaar FZC, he was associated with our Company, Deloitte Consulting India Private Limited. During Financial Year 2024, he received a remuneration of ₹ 8.91 million from Electronics Bazaar FZC.

**Harsh Prashant Jadhav** is the Head of Procurement (International) of Electronics Bazaar FZC and has been associated with us since October 7, 2022. He holds a bachelor's degree in technology (mechanical engineering) and a master's degree in business administration in technology management from Narsee Monjee Insititute of Management Studies, Mumbai. He is currently involved in development and execution of procurement strategies, establish and maintain relationships with suppliers, overseeing inventory levels and risk management functions. He was previously associated with Service Lee Technologies Private Limited and B2X Service Solutions Private Limited. He has 10 years of experience in the field of strategic sourcing, supply chain management, business development. In the Fiscal Year 2024, he received a remuneration of ₹ 4.44 million from Electronics Bazaar FZC.

**Rohan Shukla** is the Head of Sales (International) of Electronics Bazaar FZC and has been associated with us since January 15, 2023. He holds a bachelor's degree in metallurgical and materials engineering from Visvesvaraya National Institute of Technology, Nagpur and a post graduate diploma in management from Goa Institute of Management. He is currently involved in development and implementation of sales strategies, maintain relationships with key international clients and identification of new market opportunities. He was previously associated with Dell International Services India Private Limited. He has 7 years of experience in the field of sales management, marketplace business and production. In the Fiscal Year 2024, he received a remuneration of ₹ 4.28 million from Electronics Bazaar FZC.

**Status of the Key Managerial Personnel and Senior Management**

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company or our Subsidiaries.

**Retirement and termination benefits**

Except applicable statutory benefits, none of our Key Managerial Personnel and members of Senior Management would receive any benefits on their retirement or on termination of their employment with our Company.

**Family relationships of Directors with Key Managerial Personnel and Senior Management**

Except as stated in "*Our Management – Relationship between our Directors*" on page 208 and Mansi Prashant Jadhav and Harsh Prashant Jadhav who are siblings, none of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, or Key Managerial Personnel and Senior Management of the Company.

**Arrangements and understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel and members of Senior Management have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others**.**

**Shareholding of the Key Managerial Personnel and Senior Management**

Except as stated in "*Our Management – Shareholding of our Directors*" on page 210, none of the Key Managerial Personnel and members of Senior Management hold any Equity Shares as on date of this Draft Red Herring Prospectus.

**Payment or benefits to Key Managerial Personnel and Senior Management**

Our Company has not paid any compensation or granted any benefit on an individual basis to any of our Key Managerial Personnel or members of Senior Management (including contingent or deferred compensation) other than the remuneration as disclosed above in "*– Terms of appointment of our Executive Director*" and "*-Key Managerial Personnel and Senior Management*" on page 209 and 220 respectively.

**Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management**

Our Company does not have any performance linked bonus or a profit-sharing plan for our Key Managerial Personnel and members of Senior Management as on the date of this Draft Red Herring Prospectus.

**Interest of Key Managerial Personnel and Senior Management**

Other than our Managing Director, our other Key Managerial Personnel and members of Senior Management are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company or any dividend payable to them. For details of the interest of the Executive Director and Non-executive Directors of our Company, see "*–Interest of Directors*" on page 210.

Further, other than our Managing Director, our other Key Managerial Personnel and members of Senior Management, may also be deemed to be interested to the extent of stock options to be granted or Equity Shares to be allotted pursuant to the exercise of options to be granted to them under the ESOS 2024. For details, see "*Capital Structure – Employee Stock Option Plan*" on page 81.

**Changes in the Key Managerial Personnel and Senior Management in last three years**

The changes to our Key Managerial Personnel and Senior Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

| Name | Date of appointment/cessation | Reason |
|---|---|---|
| Sarita Tufani Vishwakarma | October 8, 2024 | Appointment as the Company Secretary and Compliance Officer of our Company. |
| Raakesh Jagdish Jhunjhunwala | October 1, 2024 | Appointment as the Chief Financial Officer of our Company |
| Rohan Shukla | January 15, 2023 | Appointment as the Head of Sales (International) of Electronics Bazaar FZC |
| Mansi Prashant Jadhav | December 1, 2022 | Appointment as the Finance Controller of Electronics Bazaar FZC |
| Harsh Prashant Jadhav | October 7, 2022 | Appointment as the Head of Procurement (International) of Electronics Bazaar FZC |

*Note: This does not include changes in designations.*

Further, the attrition rate of the Key Managerial Personnel and member of Senior Management of our Company is not high as compared to our peers.

**Payment or benefit to officers of our Company (non-salary related)**

No amount or benefit has been paid or given since incorporation or intended to be paid or given to any officer of the Company, including our Key Managerial Personnel and members of Senior Management.

**Employee stock options**

For details about the employee stock options, see "*Capital Structure – Employee Stock Option Plan*" on page 81.

## OUR PROMOTERS AND PROMOTER GROUP

**Our Promoters**

Sharad Khandelwal, Vidhi Sharad Khandelwal ("**Individual Promoters**"), Kay Kay Overseas Corporation ("**Promoter Firm**") and Amiable Electronics Private Limited ("**Corporate Promoter**") are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters' shareholding in our Company is as follows:

| S. No. | Name of the Promoter | Number of Equity Shares of face value of ₹2 each* | Percentage of the pre-Offer issued, subscribed and paid-up Equity Share capital (in %) |
|---|---|---|---|
| 1. | Sharad Khandelwal | 17,965,860 | 18.50 |
| 2. | Vidhi Sharad Khandelwal | 17,970,870 | 18.50 |
| 3. | Amiable Electronics Private Limited | 55,651,080 | 57.29 |
| **Total** | | **91,587,810** | **94.29** |

* *Kay Kay Overseas Corporation does not hold any Equity Shares.*

For details, see "*Capital Structure – Details of shareholding of our Promoters and members of our Promoter Group in our Company*" on page 75.

**Details of our Promoters are as follows**:

*Individual Promoters:*

**Sharad Khandelwal**

Sharad Khandelwal, aged 53 years, is a Promoter of our Company.

***Date of Birth:*** August 23, 1971

***Address***: A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India.

***Permanent Account Number***: ADMPK3445Q

For the complete profile of Sharad Khandelwal, along with details of his educational qualifications, professional experience, position/posts held in the past and directorships held, please see "*Our Management – Board of Directors*" on page 206.

**Vidhi Sharad Khandelwal**

Vidhi Sharad Khandelwal, aged 51 years, is a Promoter of our Company.

***Date of Birth:*** October 7, 1973

***Address***: A/304, Akruti Nova, Andheri East, Opposite Telli Gali, Mumbai – 400069, Maharashtra, India.

***Permanent Account Number***: AJTPK3619B

For the complete profile of Vidhi Sharad Khandelwal, along with details of her educational qualifications, professional experience, position/posts held in the past and directorships held, please see "*Our Management – Board of Directors*" on page 206.

Our Company confirms that the Permanent account numbers, bank account numbers, Aadhaar card number and passport number of our Individual Promoters shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus. Vidhi Khandelwal, one of our Individual Promoters, does not have hold a driving license.

*Promoter Firm*

**Kay Kay Overseas Corporation ("KKOC")**

*Information*

KKOC was registered as a partnership firm under the Indian Partnership Act, 1932 *vide* a partnership deed dated August 1, 1995 and registered with the Assistant Registrar of Firms at Mumbai, Maharashtra pursuant to a certificate of registration dated May 30, 2018.

The principal place of business of KKOC is situated at 415, Professor NS Phadke Rd, Vijay Nagar, Andheri East, Mumbai, Maharashtra 400069.

KKOC is currently engaged in the business of manufacturing, trading and distribution of all type of computers, computer peripherals, smart phones, electronic items, personal care appliances, medical technology devices, toys, video games and allied items.

There have been no changes to the primary business activities undertaken by KKOC.

*Partners of KKOC*

| Name of the Partner | Profit / loss sharing ratio (in %) |
|---|---|
| Sharad Khandelwal | 50 |
| Vidhi Sharad Khandelwal | 50 |

Our Company confirms that the PAN, bank account number of KKOC and address of the registrar of firms where it was registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

*Corporate Promoter:*

**Amiable Electronics Private Limited ("AEPL")**

*Corporate information*

AEPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated July 4, 2012 issued by the Registrar of Companies, Maharashtra at Mumbai.

The registered office of AEPL is situated at Unit No. 415, Hubtown Solaris, N S Phadke Marg, Andheri East, Mumbai – 400 069, Maharashtra, India. The CIN of AEPL is U72300MH2012PTC232954.

AEPL is currently engaged in the business of ICT distribution.

There have been no changes to the primary business activities undertaken by AEPL.

*Board of directors*

The board of directors of AEPL comprises the following persons:

1. Sharad Khandelwal; and

2. Vidhi Sharad Khandelwal.

*Capital structure*

The capital structure of AEPL as on date of this Draft Red Herring Prospectus is as follows:

| Particulars | Number of equity shares of face value of ₹ 10 each |
|---|---|
| Authorised equity share capital of ₹ 71,000,000 | 7,100,000 |
| Issued, subscribed and paid-up equity share capital of ₹ 638,050 | 63,805 |

*Shareholding pattern*

The shareholding pattern of AEPL as on date of this Draft Red Herring Prospectus is as follows:

| S. No. | Name of the shareholder | Number of equity shares | Percentage of shareholding (in %) |
|---|---|---|---|
| 1. | KKOC | 46,120 | 72.28 |
| 2. | Sharad Khandelwal | 8,843 | 13.86 |
| 3. | Vidhi Sharad Khandelwal | 8,842 | 13.86 |
| **Total** | | **63,805** | **100.00** |

*Change in control*

There has been no change in control of AEPL in the three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number(s), company registration number of AEPL and address of the RoC, where AEPL is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

*Details of the promoters of AEPL*

The promoters of AEPL are Sharad Khandelwal, Vidhi Sharad Khandelwal and KKOC.

**Change in control of our Company**

There has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus. However, our Company and AEPL entered into a Business Transfer Agreement dated February 17, 2020 ("**BTA**") for the sale, assignment, conveyance and transfer of AEPL's business on an 'as is where is basis' and as a going concern in exchange for allotment 22,216 equity shares of face value of ₹ 10 each of our Company to AEPL. Further, pursuant to a resolution dated November 22, 2024 adopted by the Board of Directors, Kay Kay Overseas Corporation has been identified as a Promoter with effect from November 22, 2024.

Except as disclosed above, there has not been any change in control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoters**

Other than as disclosed in "- *Promoter Group – Entities forming part of our Promoter Group*", "*History and Certain Corporate Matters- Our Subsidiaries*" and "*Group Company*" on pages 226, 201 and 329, our Promoters are not involved in any other ventures.

**Interests of Promoters**

Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; (ii) to the extent of their direct or indirect shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold Equity Shares in our Company; and (iii) the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For further details, see "*Capital Structure – Details of Shareholding of our Promoters and members of our Promoter Group in our Company*" on page 75. Additionally, our Promoters may be interested in transactions entered into by our Company or our Subsidiaries with them, their relatives or other entities (i) in which our Promoters hold shares, directly or indirectly or (ii) which are controlled by our Promoters.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a Director or Promoter or otherwise for services rendered by our Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

**Interest in property, land, construction of building and supply of machinery**

Except as disclosed below and in "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24*" '*Our Management - Interest of Directors*' and "*Risk Factors*" on pages 273, 210 and 25, our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

- Our Registered and Corporate Office has been leased to us by our Promoter Firm for at monthly rent of ₹ 125,000.

**Payment or benefits to Promoters or Promoter Group**

Except as disclosed herein and as stated in "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24*" on page 273, there has been no payment or benefits by our Company to our Promoters or any of the members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group as on the date of this Draft Red Herring Prospectus.

**Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Draft Red Herring Prospectus:

**Material guarantees**

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

**Promoter Group**

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

*Natural persons who are part of our Promoter Group*

The natural persons who are part of our Promoter Group, other than our Individual Promoters, are as follows:

| Name of our Promoter | Name of member of our Promoter Group | Relationship with our Individual Promoter |
|---|---|---|
| Sharad Khandelwal | Pramila Khandelwal | Mother |
| | Vivek Khandelwal | Brother |
| | Karuna Rajendra Ringshia | Sister |
| | Govind Narain Khandelwal | Son |
| | Sohum Khandelwal | Son |
| | Satya Narain Rawat | Spouse's father |
| | Meera Rawat | Spouse's mother |
| | Nidhee Khandelwal | Spouse's sister |
| | Shubhra Dhamani | Spouse's sister |
| | Ashish Rawat | Spouse's brother |
| Vidhi Sharad Khandelwal | Satya Narain Rawat | Father |
| | Meera Rawat | Mother |
| | Govind Narain Khandelwal | Son |
| | Sohum Khandelwal | Son |
| | Nidhee Khandelwal | Sister |
| | Shubhra Dhamani | Sister |
| | Ashish Rawat | Brother |
| | Pramila Khandelwal | Spouse's mother |
| | Vivek Khandelwal | Spouse's brother |
| | Karuna Rajendra Ringshia | Spouse's sister |

*Entities forming part of our Promoter Group*

The companies, bodies corporates, HUFs, trusts and firms forming part of our Promoter Group, other than our Corporate Promoter and Promoter Firm, are as follows:

1. ADG Jewels LLC;
2. Ashish Exports;
3. Electronics Bazar Inc. (USA);
4. Fine Facets USA Inc;
5. Gems Facets USA Inc;
6. Gems World HK Limited;
7. Precious Holdings LLC;
8. R R Enterprises;
9. R2 Ventures;
10. Rajendra Ringshia HUF;
11. RBG Holdings LLC;

12. Royal Blue Alaska LLC;
13. Royal Touch LLC;
14. Shubh Kitchen LLC; and
15. Sparkling Facets Inc.

# DIVIDEND POLICY

Our Company has adopted a dividend distribution policy ("**Dividend Policy**") pursuant to a resolution of the Board dated December 4, 2024. In accordance with the dividend policy of our Company, our Articles of Association and the Companies Act, the Board shall determine the dividend for a particular period based on available financial resources, investment requirements and taking into account optimal shareholder return, and other parameters set out in the Dividend Policy.

In terms of our Dividend Policy, the quantum of dividend, if any, and our ability to pay dividends will depend on several factors, including but not limited to internal factors, such as the profitability, cash flow position, accumulated reserves and debt servicing. In addition, our ability to pay dividends may be impacted by a number of external factors, including but not limited to economic environment, business cycle, tax regime, industry outlook, regulatory framework and Government policies.

Our Company has not declared and paid any dividends on the Equity Shares during the period from October 1, 2024, until the date of this Draft Red Herring Prospectus and during the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022.

There is no guarantee that any dividends will be declared or paid by our Company in the future. For details, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 40.

## SECTION VI – FINANCIAL INFORMATION

## RESTATED CONSOLIDATED FINANCIAL INFORMATION

*[The remainder of this page has intentionally been left blank]*

## INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
**GNG ELECTRONICS LIMITED** (Formerly known as **GNG ELECTRONICS PRIVATE LIMITED**)
Unit No 415, Hubtown Solaris
N.S. Phadke Marg,
Andheri (East), Mumbai,
Maharashtra, India, 400069

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of **GNG ELECTRONICS LIMITED** (Formerly known as **GNG ELECTRONICS PRIVATE LIMITED**) (the "**Company**" or the "**Issuer**") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at **September 30, 2024, March 31, 2024, March 31, 2023** and **March 31, 2022**, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the six month period ended **September 30, 2024** and for the years ended **March 31, 2024, March 31, 2023** and **March 31, 2022**, the Summary Statement of Material Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**", as approved by the Board of Directors of the Company at their meeting held on [Date] for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "**Act**");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**");

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**").

2. **Management's Responsibility**

The Company's Board of Directors is responsible for the preparationof the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, "the Stock Exchanges") in connection with the proposedIPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the RestatedConsolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the Companies included in the Group are also responsible for identifying and ensuring that the companies in the Group complies with the Act, ICDR Regulations and the Guidance Note.

3.We have examined the 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 2 September, 2024 in connection with the proposed IPO of equity shares of the **Company;**

b) The Guidance Note and SEBI Communication: 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 check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information;

d) The requirements of Section 26 of the Act and the ICDR Regulations; and

e) The general directions dated October 28, 2021, received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communication")

4. The Restated Consolidated Financial Information has been compiled by the management of the Company from:

a) audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six month period ended **September 30, 2024** prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (the "**Special Purpose Interim Restated Consolidated Ind AS Financial Statements**") except for inclusion of comparative information as those are not being given in the Restated Consolidated financial information as per the option available to the Issuer under Paragraph (A) (i) of Clause 11(I) of Part A of Schedule VI of the SEBI ICDR Regulations, which have been approved by the Board of Directors at their meeting held on December 4, 2024.

b) audited special purpose Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2024, and March 31, 2023 ("**Special Purpose Restated Consolidated Ind AS Financial Statements**") 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, and have been approved by the Board of Directors at their meeting held December 4, 2024.

c) audited special purpose Restated Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2022, have been prepared by the management of the Group in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. 01 April 2021, except for inclusion of comparative information as those are not being given in the Restated Consolidated financial information , which have been approved by the Board of Directors at their meeting held on December 4, 2024.

5. For the purpose of our examination, we have relied on:

a) Auditors' report issued by us dated December 4, 2024 on the audited special purpose interim consolidated Ind AS financial statements of the Group for the six month period ended September 30, 2024; and

b) Auditors' report issued by us dated December 4, 2024 on the audited special purpose consolidated financial statements of the Group as referred in Paragraph 4 (b) and ( c ) above;

6. As indicated in our audit reports referred above:

a) We did not audit the Consolidated financial statements for the six month ended September 30, 2024 and the Financial Year ended March 31, 2024 and standalone financial statement for the year ended March 31, 2023, March 31, 2022 of subsidiary Electronic Bazaar FZC Incorporated in UAE. The Interim Period Consolidated Financial Statement for the period ending September 30, 2024 and the Consolidated Financial Statement for the year ended March 31, 2024 was audited by NBN Auditing of Accounts. The Standalone Financial for the year ended March 31, 2023 was audited by Kothari Auditors & Accountants and for the year ended March 31, 2022 were audited by Youssry & Co. Auditing & Consultancy, whose share of total assets, total revenues, net cash inflows / (outflows) for the relevant years is tabulated below, which have been audited by other auditors , and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other Auditors,

(Rs. in Million)

| Electronic Bazaar FZC | Total Assets | Total Revenue | Net Cash Flow |
|---|---|---|---|
| For the period ending September 30, 2024 | 3424.90 | 3802.15 | (7.03) |
| For the year ended March 31, 2024 | 2539.93 | 5649.83 | 87.28 |
| For the year ended March 31, 2023 | 1034.37 | 3316.82 | 25.89 |
| For the year ended March 31, 2022 | 704.36 | 2082.80 | (3.51) |

(b) The consolidated financial statements for the six month ended September 30, 2024 and the Financial Year ended March 31, 2024 of subsidiary Electronics Bazaar FZC Incorporated in UAE also includes unaudited figure of its subsidiary company Bright World Technology incorporated in USA, which is not subject to audit as per the local law of the country of incorporation.The share of total assets, total revenues, net cash inflows / (outflows) for the relevant years is tabulated below

(Rs. in Million)

| Bright World Technology | Total Assets | Total Revenue | Net Cash Flow |
|---|---|---|---|
| For the period ending September 30, 2024 | 111.41 | 191.55 | 2.65 |
| For the year ended March 31, 2024 | 37.72 | 76.25 | 2.25 |

(c) Our opinion on the restated consolidated financial information relies on reports of other auditors as detailed above. We have performed no additional audit procedures with respect to the financial information of these components. Accordingly, our opinion is not modified but is limited to the extent of reliance placed on their audit reports.

7. We have examined the restated consolidated financial information and have confirmed that the restated consolidated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping/reclassifications retrospectively for the six month period ended September 30, 2024 and in the financial years ended March 31, 2024, March 31, 2023, March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the company;

b) there are no qualifications in the auditor's reports on the audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six months period ended September 30, 2024, and the special purpose consolidated financial statements of the Group as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 which require any adjustments to the Restated Consolidated Financial Information;

c) have been prepared in accordance with the Act, ICDR Regulations, the Guidance Note and SEBI Communication.

8. We have not audited any financial statements of the Group as at any date or for any period subsequent to September 30, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to September 30, 2024.

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, 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.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, "the Stock Exchanges") and Registrar of Companies, Maharashtra 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 Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Registration No. 109901W/W100082**

**Satish Jain**
**Partner**
**Membership No. 048874**
**UDIN: 24048874BKAPTV4041**

**Place: Mumbai**

**Date: December 13, 2024**

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Restated Consolidated Statement of Assets and Liabilities**

(₹ in Million)

| Particulars | Note | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(A)Non-current assets** | | | | | |
| a) Property, plant and equipment | 3 | 309.74 | 312.90 | 78.86 | 74.25 |
| b) Capital work in progress | | - | - | 6.99 | - |
| c) Right-of-use assets | 4 | 77.18 | 94.88 | 87.90 | 18.50 |
| d) Financial assets | | | | | |
| (i) Other financial assets | 5 | 24.10 | 81.86 | 30.56 | 8.54 |
| e) Deferred tax assets | 6 | - | - | 2.13 | 2.04 |
| f) Other non-current assets | 7 | 1.25 | 1.49 | 1.99 | 0.05 |
| | | **412.26** | **491.13** | **208.43** | **103.37** |
| **(B) Current assets** | | | | | |
| a) Inventory | 8 | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| b) Financial assets | | | | | |
| (i) Investments | 9 | 73.65 | 70.12 | - | - |
| (ii) Trade receivables | 10 | 1,801.80 | 1,169.06 | 911.44 | 421.83 |
| (iii) Cash and cash equivalents | 11 | 42.20 | 49.92 | 20.60 | 8.76 |
| (iv) Bank balances other than cash and cash equivalents | 12 | 820.92 | 629.13 | 253.70 | 202.72 |
| c) Current Tax Assets (Net) | | - | 9.68 | 11.29 | - |
| d) Other current assets | 13 | 449.88 | 296.57 | 99.61 | 83.00 |
| | | **7,000.16** | **5,367.10** | **2,646.59** | **1,843.72** |
| **Total assets** | | **7,412.42** | **5,858.24** | **2,855.02** | **1,947.09** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| a) Equity share capital | 14 | 0.39 | 0.39 | 0.39 | 0.39 |
| b) Other equity | 15 | 1,975.67 | 1,631.02 | 1,115.56 | 793.19 |
| **Equity attributable to owners of the Holding company** | | **1,976.06** | **1,631.41** | **1,115.95** | **793.57** |
| Non controlling interest | | 5.48 | 4.39 | 2.32 | 1.32 |
| **Total equity** | | **1,981.54** | **1,635.80** | **1,118.26** | **794.89** |
| **Liabilities** | | | | | |
| **Non-current liabilities** | | | | | |
| a) Financial liabilities | | | | | |
| (i) Borrowings | 16 | 781.49 | 81.77 | 131.31 | 158.86 |
| (ii) Lease liabilities | 17 | 54.51 | 67.92 | 65.21 | 6.94 |
| b) Provisions | 18 | 6.72 | 4.07 | 1.62 | 4.03 |
| c) Deferred Tax Liabilities | 6 | 11.96 | 8.96 | - | - |
| | | **854.67** | **162.73** | **198.14** | **169.82** |
| **Current liabilities** | | | | | |
| a) Financial liabilities | | | | | |
| (i) Borrowings | 19 | 4,086.20 | 3,096.33 | 1,006.24 | 571.97 |
| (ii) Lease liabilities | 20 | 26.92 | 26.36 | 18.43 | 11.95 |
| (iii) Trade payables | 21 | | | | |
| (a) total outstanding dues of micro and small enterprises | | 2.74 | - | - | - |
| (b) total outstanding dues other than micro and small enterprises | | 298.57 | 841.16 | 104.05 | 113.72 |
| (iv) Other Liabilities | 22 | 122.01 | 45.22 | 382.67 | 271.85 |
| b) Provisions | 23 | 33.55 | 44.53 | 20.74 | 7.71 |
| c) Current Tax Liability (Net) | | 3.35 | - | - | 2.63 |
| d) Other current liabilities | 24 | 2.88 | 6.11 | 6.48 | 2.55 |
| | | **4,576.21** | **4,059.71** | **1,538.61** | **982.38** |
| **Total liabilities** | | **5,430.88** | **4,222.44** | **1,736.75** | **1,152.20** |
| **Total Equity and liabilities** | | **7,412.42** | **5,858.24** | **2,855.02** | **1,947.09** |
| **Material Accounting Policies** | 2 | | | | |

**Notes Forming Part of Restated Consolidated financial statements.** 1-49
As per our report of even date

**For Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Regn No.: 109901W/W100082**

**SATISH JAIN**
**Partner**
**Membership No : 48874**
**Place : Mumbai**
**Date : December 13, 2024**

**For and on Behalf of board of Directors of**
**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**

**Sharad Khandelwal**
**Managing** Director
DIN: 03282602
Place :Mumbai
Date: December 13, 2024

**Vidhi Khandelwal**
Director
DIN: 03285189
Place :Mumbai
Date: December 13, 2024

**Raakesh Jhunjhunwala**
Chief Financial Officer
Place :Mumbai
Date: December 13, 2024

**Sarita Tufani Vishwakarma**
Company Secretary
M.No A59547
Place :Mumbai
Date:December 13, 2024

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Restated Consolidated Statement of Profit and Loss**

(₹ in Million)

| | Particulars | Note | For the period ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|---|---|
| I | **Income** | | | | | |
| | Revenue from Operations | 25 | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| | Other income | 26 | 50.10 | 56.59 | 32.44 | 14.24 |
| | **Total income (I)** | | **6,129.72** | **11,437.97** | **6,627.86** | **5,219.19** |
| II | **Expenses** | | | | | |
| | Direct cost | 27 | 5,722.48 | 11,772.53 | 5,806.54 | 4,778.67 |
| | Changes in Inventory of Finished Goods | 28 | (669.08) | (1,792.67) | (222.56) | (190.23) |
| | Employee benefits expense | 29 | 251.07 | 355.94 | 196.16 | 95.39 |
| | Finance costs | 30 | 194.32 | 239.27 | 118.41 | 82.21 |
| | Depreciation and amortisation expenses | 31 | 46.05 | 36.54 | 27.80 | 22.05 |
| | Other expenses | 32 | 191.56 | 253.13 | 347.32 | 188.66 |
| | **Total expenses (II)** | | **5,736.39** | **10,864.74** | **6,273.67** | **4,976.74** |
| III | **Restated Profit Before exceptional items & taxes** | | **393.33** | **573.23** | **354.19** | **242.45** |
| IV | **Restated Profit Before taxes** | | **393.33** | **573.23** | **354.19** | **242.45** |
| | (i) Current tax | | 27.90 | 39.10 | 30.00 | 24.80 |
| | (ii) Deferred tax | | 3.00 | 11.08 | (0.09) | (0.86) |
| | (iii)Short/(Excess) Provisions of Income Tax of earlier years | | 10.31 | - | - | 0.81 |
| | **Total tax expenses** | | **41.21** | **50.18** | **29.91** | **24.75** |
| V | **Restated Profit for the year** | | **352.12** | **523.05** | **324.28** | **217.70** |
| VI | **Restated Other comprehensive income** | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | |
| | - Re-measurement gains/(losses) on defined benefit plans | | (0.51) | 0.42 | (0.27) | 1.09 |
| | Income tax effect on above items | | | | | |
| | Items that will be reclassified to profit or loss | | | | | - |
| | Foreign Exchange difference on Translation of Foreign operations | | (5.86) | (5.93) | (0.69) | (4.06) |
| | **Total Restated comprehensive income for the year** | | **(6.38)** | **(5.51)** | **(0.96)** | **(2.98)** |
| | **Restated comprehensive income for the year** | | **345.75** | **517.54** | **323.32** | **214.73** |
| | **Restated Net Profit Attributable to:** | | | | | |
| | **Owners of the company** | | **351.00** | **521.38** | **323.28** | **217.13** |
| | **Non-Controlling interest** | | **1.12** | **1.67** | **1.00** | **0.57** |
| | **Restated Other Comprehensive Income Attributable to:** | | | | | |
| | **Owners of the company** | | **(6.35)** | **(5.49)** | **(0.96)** | **(2.96)** |
| | **Non-Controlling interest** | | **(0.03)** | **(0.02)** | **(0.00)** | **(0.02)** |
| | **Restated Total Comprehensive Income Attributable to:** | | | | | |
| | **Owners of the company** | | **344.65** | **515.47** | **322.32** | **214.17** |
| | **Non-Controlling interest** | | **1.10** | **2.07** | **0.99** | **0.56** |
| | **Restated Earnings per equity share (in INR) face value INR 2 each attributable to equity shareholders of the present)** | 34 | | | | |
| | (1) Basic | | 3.61 | 5.37 | 3.33 | 2.24 |
| | (2) Diluted | | 3.61 | 5.37 | 3.33 | 2.24 |

**Material Accounting Policies** 2

**Notes Forming Part of Restated Consolidated financial statements.** 1-49

As per our report of even date

**For Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Regn No.: 109901W/W100082**

**SATISH JAIN**
**Partner**
**Membership No : 48874**
**Place : Mumbai**
**Date : December 13, 2024**

**For and on Behalf of board of Directors of**
**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**

**Sharad Khandelwal**
**Managing** Director
DIN: 03282602
Place :Mumbai
Date: December 13, 2024

**Vidhi Khandelwal**
Director
DIN: 03285189
Place :Mumbai
Date: December 13, 2024

**Raakesh Jhunjhunwala**
Chief Financial Officer

Place :Mumbai
Date: December 13, 2024

**Sarita Vishwakarma**
Company Secretary
M.No A59547
Place :Mumbai Date:
December 13, 2024

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Restated Consolidated Statement of Cash Flow Statement**

(₹ in Million)

| | Particulars | For the year ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|---|
| A | **OPERATING ACTIVITIES** | | | | |
| | Profit before tax | 393.33 | 573.23 | 354.19 | 242.45 |
| | **Adjustment for:-** | | | | |
| | Depreciation and amortization | 46.05 | 36.54 | 27.80 | 22.05 |
| | Fair value gain on shares and mutual funds-unrealised | (3.53) | (2.62) | - | - |
| | Interest Expenses | 194.32 | 239.27 | 118.41 | 82.21 |
| | Interest income | (25.96) | (26.95) | (12.03) | (9.01) |
| | Foreign exchange Translation reserve | (5.86) | (5.93) | (0.69) | (4.06) |
| | Re-measurement gains/(losses) on defined benefit plans | (0.51) | 0.42 | (0.27) | 1.09 |
| | **Operating profit/(loss) before working capital changes** | **597.83** | **813.95** | **487.41** | **334.73** |
| | **Working capital adjustments:** | | | | |
| | (Increase)/Decrease in Inventories | (669.08) | (1,792.67) | (222.56) | (190.23) |
| | (Increase)/Decrease in Working Capital Loan (WCL) | 1,498.68 | 2,070.62 | 443.13 | (154.82) |
| | (Increase)/Decrease in trade receivables | (632.74) | (257.62) | (489.61) | (25.80) |
| | (Increase)/Decrease in Financial & Other current assets | (92.30) | (236.68) | (40.66) | (0.13) |
| | (Increase)/Decrease in current and non current provisions | (8.33) | 23.79 | 13.03 | 1.92 |
| | (Increase)/Decrease in trade payables | (539.86) | 737.11 | (9.67) | (248.94) |
| | (Increase)/Decrease in Current Tax Assets (Net) | 9.68 | 1.61 | (11.28) | - |
| | Increase/Decrease in Current Tax Liability (Net) | 3.35 | - | (2.63) | 2.63 |
| | Increase/Decrease in Financial and other Current liabilities | 73.55 | (335.37) | 112.35 | 267.13 |
| | **Cash generated from/(used in) operations** | **240.77** | **1,024.75** | **279.51** | **(13.51)** |
| | Income tax paid (net of refunds) | (41.21) | **(50.18)** | **(29.91)** | **(24.75)** |
| | **Net Cash flow generated from/(used in) operating activities (i)** | **199.56** | **974.57** | **249.59** | **(38.26)** |
| B | **INVESTING ACTIVITIES** | | | | |
| | Purchase of property, plant and equipment, intangible assets including Capital work in progress | (25.19) | (240.28) | (23.18) | (12.57) |
| | Interest Income | 25.96 | 26.95 | 12.03 | 9.01 |
| | Investment in mutual funds | - | (67.50) | | |
| | **Net Cash used in Investing activities (ii)** | **0.77** | **(280.83)** | **(11.15)** | **(3.56)** |
| C | **FINANCING ACTIVITIES** | | | | |
| | Proceeds from Long term Borrowings | 226.67 | 0.00 | 3.65 | 114.50 |
| | Repayment of Long term Borrowings | (35.77) | (30.07) | (40.05) | (49.25) |
| | Payment of Lease Liabilities | (12.85) | (19.64) | (20.88) | (10.83) |
| | Proceeds from issue of equity shares | | | 0.05 | 76.17 |
| | Finance charges paid | (194.32) | (239.27) | (118.41) | (82.21) |
| | **Net Cash generated from financing activities (iii)** | **(16.26)** | **(288.98)** | **(175.65)** | **48.38** |
| D | **Net increase/(decrease) in cash and cash equivalents (i+ii+iii)** | **184.07** | **404.76** | **62.80** | **6.56** |
| | **Cash and cash equivalents at the beginning of the year** | **679.05** | 274.29 | 211.49 | 204.93 |
| | **Cash and cash equivalents at the end of the year** | **863.12** | **679.05** | **274.29** | **211.49** |
| | **Notes to the Cash Flow Statement** | | | | |
| | **The accompanying notes form an integral part of the financial statements.** | | | | |
| | As per our report of even date attached | | | | |
| | **Cash and Cash Equivalent Comprises of** | | | | |
| | Cash on Hand | 4.74 | 1.96 | 2.35 | 0.85 |
| | Balance In Current account | 37.45 | 47.96 | 18.25 | 7.92 |
| | Bank balances other than cash and cash equivalents | 820.92 | 629.13 | 253.70 | 202.72 |
| | **Cash and Cash Equivalent in Cash Flow Statement** | **863.12** | **679.05** | **274.29** | **211.49** |

**Material Accounting Policies** 2
**Notes Forming Part of Restated Consolidated financial statements.** 1-49
As per our report of even date

**For Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Regn No.: 109901W/W100082**

**SATISH JAIN**
**Partner**
**Membership No : 48874**
**Place : Mumbai**
**Date : December 13, 2024**

**For and on Behalf of board of Directors of**
**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**

**Sharad Khandelwal**
Managing Director
DIN: 03282602
Place :Mumbai
Date: December 13, 2024

**Vidhi Khandelwal**
Director
DIN: 03285189
Place :Mumbai
Date: December 13, 2024

**Raakesh Jhunjhunwala**
Chief Financial Officer

Place :Mumbai
Date: December 13, 2024

**Sarita Vishwakarma**
Company Secretary
M.No A59547
Place :Mumbai
Date:December 13, 2024

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**

**Restated Consolidated Statement of Changes in Equity**

**a) Equity Share Capital**

**(₹ in Million)**

| Particulars | Face Value | Number of Shares | Value of Shares |
|---|---|---|---|
| **Balance as at April 01, 2021** | Rs. 10 | **38,031.00** | **0.38** |
| **Changes in the equity share capital during the year:-** | | | |
| -Addition | | 745.00 | 0.01 |
| -Reduction | | - | - |
| **Balance as at April 01, 2022** | Rs. 10 | **38,776.00** | **0.39** |
| Issue of share capital during the year | | | |
| -Addition | | - | - |
| -Reduction | | - | - |
| **Balance as at March 31, 2023** | Rs. 10 | **38,776.00** | **0.39** |
| Issue of share capital during the year | | | |
| -Addition | | - | - |
| -Reduction | | - | - |
| **Balance as at March 31, 2024** | Rs. 10 | **38,776.00** | **0.39** |
| Issue of share capital during the year | | | |
| -Addition | | - | - |
| -Reduction | | - | - |
| **Balance as at Sep 30, 2024** | Rs. 10 | **38,776.00** | **0.39** |

*(This space is intentionally left blank)*

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**

**Restated Consolidated Statement of Changes in Equity**
**(b) Other equity** **(₹ in Million)**

| Particulars | Reserves & surplus | | | Foreign Currency Fluctuation Reserve | Other Comprehensive Income | Total other Equity | Non controlling Interest |
|---|---|---|---|---|---|---|---|
| | Retained Earnings | General Reserve | Security Premium | | | | |
| **Balance as at 01.04.21** | **87.09** | **120.30** | **371.62** | **-** | **-** | **579.01** | **0.78** |
| Profit for the Period | 77.54 | | | | | 77.54 | |
| Transfer from surplus in Statement of Profit and Loss | 139.59 | | | | | 139.59 | 0.56 |
| **Other comprehensive Income for the year:** | **304.23** | **120.30** | **371.62** | **-** | **-** | **796.15** | **1.34** |
| Premium on Shares issued during the year | - | - | - | - | - | - | - |
| Remeasurement gains on defined benefit plans | - | - | - | - | 1.09 | 1.09 | (0.00) |
| Exchange differences on translation of foreign currency balances | - | - | - | (4.05) | - | (4.05) | (0.02) |
| **Total comprehensive Income** | 217.14 | - | - | (4.05) | 1.09 | 214.18 | 0.54 |
| **Balance as at 31.03.2022** | **304.23** | **120.30** | **371.62** | **(4.05)** | **1.09** | **793.19** | **1.32** |
| Premium on Shares issued during the year | | | 0.05 | | | 0.05 | |
| Profit for the Period | 323.28 | - | - | - | - | 323.28 | **1.00** |
| Remeasurement gains on defined benefit plans | - | - | - | - | (0.27) | (0.27) | **0.00** |
| Exchange differences on translation of foreign currency balances | - | - | - | (0.69) | - | (0.69) | (0.00) |
| **Total comprehensive Income** | 323.28 | - | - | (0.69) | (0.27) | 322.32 | 0.99 |
| **Balance as at 31.03.2023** | **627.51** | **120.30** | **371.67** | **(4.74)** | **0.82** | **1,115.56** | **2.32** |
| Profit for the Period | 520.96 | - | - | - | - | 520.96 | 2.09 |
| Remeasurement gains on defined benefit plans | - | - | - | - | 0.42 | 0.42 | 0.00 |
| Exchange differences on translation of foreign currency balances | - | - | - | (5.91) | - | (5.91) | (0.02) |
| **Total comprehensive Income** | **520.96** | **-** | **-** | **(5.91)** | **0.42** | **515.47** | **2.07** |
| **Balance as at 31.03.2024** | **1,148.47** | **120.30** | **371.67** | **(10.64)** | **1.23** | **1,631.02** | **4.39** |
| Profit for the Period | 351.00 | - | - | - | - | 351.00 | 1.12 |
| Remeasurement gains on defined benefit plans | - | - | - | - | (0.51) | (0.51) | (0.00) |
| Exchange differences on translation of foreign currency balances | - | - | - | (5.84) | - | (5.84) | (0.02) |
| **Total comprehensive Income** | **351.00** | **-** | **-** | **(5.84)** | **(0.51)** | **344.65** | **1.10** |
| **Balance as at 30.09.2024** | **1,499.47** | **120.30** | **371.67** | **(16.49)** | **0.72** | **1,975.67** | **5.48** |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**

**Restated Consolidated Statement of Changes in Equity**

**Nature and Purpose of Reserves**
**a) Surplus in Statement of Profit and Loss**
Surplus in Statement of Profit and Loss represents the profits that the company has earned till date,less any transfers to general reserve,dividends or other distribution to Shareholders

**b) Securities Premium**
Securities Premium is used to record the Premium on issue of Shares,The reserve is utilised in accordance with the provisions of the Companies Act,2013

**c) Other Comprehensive Income**
This represents the remeasurement gains arising from the actuarial valuation of the defined benefit obligations of the company
The remeasurement gains are recognised in other comprehensive income and accumulated under this reserve within equity

**d) General Reserve**
The reserve arises on transfer portion of the netprofit pursuant to the earlier provisions of Companies Act 1956 Mandatory transfer to general reserve is not required under the Companies Act 2013

| | |
|---|---|
| **Material Accounting Policies** | 2 |
| **See accompanying notes to Restated Consolidated financial statements.** | 1-49 |

As per our report of even date

**For Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Regn No.: 109901W/W100082**

**SATISH JAIN**
**Partner**
**Membership No : 48874**
**Place : Mumbai**
**Date : December 13, 2024**

**For and on Behalf of board of Directors of**
**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**

**Sharad Khandelwal**
Managing Director
DIN: 03282602
Place :Mumbai
Date: December 13, 2024

**Vidhi Khandelwal**
Director
DIN: 03285189
Place :Mumbai
Date: December 13, 2024

**Raakesh Jhunjhunwala**
Chief Financial Officer

Place :Mumbai
Date: December 13, 2024

**Sarita Tufani Vishwakarma**
Company Secretary
M.No A59547
Place :Mumbai
Date: December 13, 2024

## 1. Corporate information

GNG Electronics Limited (Formerly known as GNG ELECTRONICS PRIVATE LIMITED) was incorporated as a private company and established on October 19, 2006, under the provisions of the Companies Act, 1956, the Company has been converted from Private Limited Company into a Public Limited Company w.e.f. 20th November 2024. The company is one of the largest organised information and communications technology ("ICT") devices refurbished in India and globally. The Company caters to both domestic and international markets. It has various certifications likes ISO 9001:2015 for quality management, ISO 7001:2013 for information security, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety

The Registered office is located at Unit No 415, Hubtown Solaris N.S. Phadke Marg, Andheri (East), Mumbai, Maharashtra, India, 400069

## 2. Summary of Material Accounting Policies

### 2.1 Basis of Preparation of Restated Consolidated Financial

The Restated Consolidated Financial Information of the Company and its subsidiaries (collectively, the "Group"), comprises of the Restated Consolidated Statements of Assets and Liabilities as at September 30, 2024 and March 31, 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income) which includes the Group's share of profit/ loss in its subsidiaries, the Restated Consolidated Statements of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the six month periods ended September 30, 2024 and for the years ended March 31, 2024, 2023 and 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") and the Prospectus (together with DRHP referred to as the "Offer Documents") to be prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Financial Information have been prepared by the Company 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 ("**ICDR Regulations**");

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**").

The Restated Consolidated Financial Information has been prepared under historical cost convention on accrual basis, unless otherwise stated. The Restated Consolidated Financial Information of the Group are presented as per Schedule III (Division II) of the Companies Act, 2013.

For the purpose of preparation of Restated Consolidated Financial Information for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022 of the Company, the transition date is considered as April 01, 2021 The Company has prepared in accordance with Ind-AS 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) in preparing its opening Restated Consolidated Financial Information, Refer Note 45 for reconciliation of equity and total comprehensive income as per the Special Purpose Restated Consolidated Financial Statements as at and for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022 and Statutory Indian GAAP Consolidated Financial Statements as at and for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022. The Company followed the provisions of Ind- AS 101 in preparing its opening Restated Consolidated Financial Information as of the date of transition. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2021 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2021 as required by Ind- AS 101. The Restated Consolidated Financial Information for 31st March 2022 and 31st March 2023are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and described in the para. As such, these Restated Consolidated Financial Information are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

The Restated Consolidated Financial Information have been compiled by the Management from:

a) audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six month period ended **September 30, 2024** prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (the "**Special Purpose Interim Restated Consolidated Ind AS Financial Statements**") except for inclusion of comparative information as those are not being given in the Restated Consolidated financial information as per the option available to the Issuer under Paragraph (A) (i) of Clause 11(I) of Part A of Schedule VI of the SEBI ICDR Regulations, which have been approved by the Board of Directors at their meeting held on December 4, 2024.

b) audited special purpose Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2024, and March 31, 2023 ("**Special Purpose Restated Consolidated Ind AS Financial Statements**") 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, and have been approved by the Board of Directors at their meeting held December 4, 2024.

c) audited special purpose Restated Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2022, have been prepared by the management of the Group in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. 01 April 2021, except for inclusion of comparative information as those are not being given in the Restated Consolidated financial information , which have been approved by the Board of Directors at their meeting held on December 4, 2024.
Current and non-current classification
The Group presents Assets and Liabilities in the Balance Sheet based on Current and Non-Current classification.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:
(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the balance sheet date; or
(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date. Current assets include the current portion of non- current financial assets All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:
(a) it is expected to be settled in, the Company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within 12 months after the balance sheet date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current liabilities include current portion of noncurrent financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

**2.2 Basis of Consolidation**

The Restated Consolidated Financial Information comprise the Financial Statements of the Parent Company and its Subsidiaries as disclosed in Note below. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of GNG Electronic Limited (Formerly known as GNG Electronic Private Limited) and its subsidiary companies have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, and contingent liabilities.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non- controlling interests having a deficit balance. The financial statements of the Group companies are consolidated on a line-by-line basis and intra- Group balances, transactions including unrealized gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These Special Purpose Financial Statements are prepared by applying uniform accounting policies in use at the Group.

The investment in equity in the subsidiary companies as on date of investment is in excess of cost of investment, the difference has already been adjusted in Reserves & Surplus.

Minority Interest in the Net Assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments as stated above.

Subsidiary considered for consolidation in Restated Consolidated Financial Information for period ended September 30, 2024, and for the year ended March 31, 2024, March 31, 2023, March 31, 2022 which is audited by other auditor is;

Electronics Bazaar FZC (Incorporated in UAE)

Details of Stepdown subsidiary considered in Restated consolidated Financial Information for year ended September 30, 2024, March 31, 2024 which is un-audited, as it is not subject to audit as per local law of the country of incorporation;

Bright World Technology Inc (Incorporated in USA)

Details of Stepdown subsidiary not considered in Restated Consolidated Financial Information as there is no transaction from incorporation are;

Sun Electronics Corporation (Incorporated in USA) (w.e.f 07th September'2024)
Kay Kay Overseas Corporation (Incorporated in USA) (w.e.f 07th September'2024)
Electronics Bazaar B.V.* (Incorporated in Netherlands) (w.e.f 05th August'2024)
Electronics Bazar Inc (Incorporated in Canada) (w.e.f. 14th May'2024)

**2.3 Use of Estimates and judgments**

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of Restated Consolidated Financial Information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information. The area involving measurement, estimates and judgements are as under: -

a) Fair Value Measurement
b) Deferred Tax
c) Rate of Depreciation

**2.4 Revenue Recognition:**

Revenue from contracts with customers/ Income from services:

The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from sale of products or services is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Revenue from services is recognised over period of time and in the accounting period in which the services are rendered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Export incentive has been recognized on certainty of receipt of the same from year to year

Lease income from operating leases should be recognized in the statement of profit and loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Costs including depreciation, incurred in earning the lease income are recognized as an expense. Lease income (excluding receipts for services provided such as insurance and maintenance) is recognized in the statement of profit and loss on a straight-line basis over the lease term. The depreciation of leased assets should be on a basis consistent with the normal depreciation policy of the lessor for similar assets, and the depreciation charge should be calculated on the basis of leasing period is 4 years and considering residual value 20% Depreciation amortized on leased assets in the books of accounts is at the rate 20% over the 4 years as balance being the residual value of asset leased.

Other Income
Interest is recognized on time proportion basis taking into account the amount of outstanding at the effective interest rate.

**2.5 Employee benefit expense:**

i. Short-term employee benefits
Short-term employee benefits are determined as per Company's policy/scheme on an undiscounted basis. A liability is recognized for benefits accruing to employees in respect of salaries, performance incentives and compensated absences in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

ii. Defined benefit plan
A defined benefit plan is a post-employment benefit plan other than a defined-contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company's gratuity plan is funded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method as at each balance sheet date. The liability or asset recognised in the Balance Sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. The Company determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recognized in employee benefit expenses in the statement of profit and loss.

The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

iii. Defined contribution plan
A defined contribution plan is a postemployment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes monthly contributions towards Government administered schemes such as the provident fund and employee state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by the employees.

iv. Long-term employee benefits
The Company's obligation in respect of long-term employee benefits other than postemployment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation

is measured on the basis of an annual independent actuarial valuation using the projected unit credit method as at each balance sheet date.

**2.6 Tax Expenses:**

The tax expense comprises of income tax and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity.

i. **Current Income taxes:** Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending on the nature and circumstances of each uncertain tax position. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

ii. **Deferred taxes:** Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in Restated Consolidated Financial Information, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

In case of Foreign Subsidiary as there is no TAX on Income no Provision for Tax is made on Profit and hence no Deferred Tax Liability/Asset is recognized, which is in accordance with the applicable law.

**2.7 Property Plant and Equipment and Capital Work in Progress:**

Recognition and measurement - Property, Plant and equipment are stated at historical cost, less accumulated depreciation, and accumulated impairment losses, if any. The historical cost comprises of the purchase price, taxes, duties, freight, and other incidental expenses directly attributable and related to the acquisition and installation of the concerned assets wherever applicable.

Subsequent costs are included in the asset’s carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits will flow to the entity and cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

For the transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2021 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

All amounts are in millions unless otherwise stated

**2.8 Depreciation and Amortization:**

Depreciation on all assets of the Indian Company has been provided on Written down value at the rates and in the manner specified in schedule II of the Companies Act, 2013. The useful lives of assets would be reviewed by the management at each financial year and revised, if appropriate. In case of a revision the unamortized depreciable amount is charged over the revised remaining useful life of the asset.

The details of estimated life for each category of asset are as under:

| Type of Asset | Life |
|---|---|
| Office Equipments | 5 Years |
| Computers | 3 Years |
| Furniture & Fixture | 10 Years |
| Leasehold Building | 30 Years |
| Vehicles | 10 Years |
| Lease Asset- (Computer) | 4 Years |

Depreciation on all assets of the Foreign Subsidiary has been provided on Written down value at the rate specified below which represent the best estimate of their useful life:

| Type of Asset | Rate |
|---|---|
| Office Equipments | 10% |
| Furniture & Fixture | 10% |
| Leasehold Building | 5% |
| Vehicles | 10% |

**2.9 Foreign currencies**

Transactions in foreign currencies are initially recorded by the company at the currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively). The gain and loss on retranslation of Property, Plant & Equipment of Foreign Subsidiary has been routed through Property, Plant & Equipment.

**2.10 Borrowing costs**

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

**2.11 Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost includes cost of purchases, which are net of discounts and rebates and other costs incurred in bringing the inventories to their present location and condition.

**2.12 Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

With respect to the warranty, the company provides a warranty along with the sale of the product, which is not considered a separate performance obligation. As the warranty-related expenses do not have a material impact, they are accounted for as and when incurred.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

**2.13 Contingent liabilities and Contingent Assets:**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

**2.14 Financial instruments**

Financial assets and financial liabilities are recognized in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**
(i) On initial recognition, a financial asset is classified as measured at

- Amortised Cost
- Fair value through profit and loss

(ii) A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit or Loss (FVTPL):

- The asset is held within a business model whose objective is to hold assets to collect contractual flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meet the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Subsequent Measurement**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. The Company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets that are measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses (ECL) for trade receivables. The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of financial assets, the Company follows the simplified approach permitted by Ind AS 109 – Financial

Instruments – for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

**De-recognition of Financial Assets**:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognises an associated liability.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in Other Comprehensive Income and accumulated in other equity is
recognised in statement of profit and loss.

**Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Financial liabilities and equity instruments**

**Classification as Debt or Equity**:
Debt or equity instruments issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instruments**:
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial Liabilities**:
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expenses are included in the 'Finance cost' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities are classified, at initial recognition and measured at amortising cost using effective interest method:

- Loans and borrowings
- Payables

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, are recognised net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**De-recognition of Financial Liabilities**:

The Company de-recognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in statement of profit and loss.

**Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the attainment of balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Derivative financials instruments:**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not use derivative financial instruments for speculative purposes.
Forward contracts are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at fair value at
each reporting date. The resulting gain or loss is recognised in the statement of profit and loss.

**Fair value measurement**

Some of the Company's accounting policies or disclosures require the 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 orderly transaction between market participants at the time of measurement. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability.
iii. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities (for which fair value is measured or disclosed in the financial statement) 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) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

**2.15 Earnings Per Share**

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

For the purpose of calculating Diluted Earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.16 Cash Flows Statement**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**2.17 Lease Liability**

At inception of a contract, the Company assesses whether 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.

As a lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

**Short-term leases**
The Company has elected not to recognise right of use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 2.18 Segment reporting

As per Ind AS 108 -Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on geographic segment. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments based on their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### 2.19 Contingencies and Commitments

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or commitment on entity's financial statements as of financial position Date.

### 2.20 Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company

**Note 3 a) Property, plant and equipment** (₹ in Million)

| | Vehicle | Computers | Leasing Asset - Computers | Office equipment | Building | Furniture & Fixture | Total Assets |
|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | |
| **As at April 01, 2021** | 0.50 | 1.92 | 5.18 | 7.84 | 58.90 | 13.70 | 88.04 |
| Adjustment | - | - | - | - | - | - | - |
| Additions | 0.85 | (0.00) | 6.39 | 2.88 | 2.37 | 0.08 | 12.57 |
| Disposals | - | - | - | - | - | - | - |
| **As at March 31, 2022** | **1.35** | **1.91** | **11.57** | **10.73** | **61.27** | **13.78** | **100.61** |
| Additions | 4.39 | - | - | 5.04 | 2.59 | 0.14 | 12.16 |
| Disposals | - | - | - | - | - | - | - |
| Adjustment | 0.10 | - | - | 0.41 | 3.37 | 0.14 | 4.03 |
| **As at March 31, 2023** | **5.85** | **1.91** | **11.57** | **16.18** | **67.23** | **14.05** | **108.74** |
| Re-Classfication | - | - | - | - | - | - | - |
| Additions | - | 3.10 | 212.17 | 2.38 | 26.42 | 3.19 | 247.27 |
| Disposals | - | - | - | - | - | - | - |
| **As at March 31, 2024** | **5.85** | **5.01** | **223.74** | **18.57** | **93.65** | **17.25** | **356.01** |
| Re-Classfication | - | - | - | - | - | - | - |
| Additions | 0.14 | 1.27 | - | 2.16 | 18.37 | 3.25 | 25.19 |
| Disposals | - | - | - | - | - | - | - |
| **As at September 30, 2024** | **5.99** | **6.28** | **223.74** | **20.73** | **112.02** | **20.50** | **381.20** |
| **Accumulated depreciation** | | | | | | | |
| **As at April 01, 2021** | - | 1.55 | 2.93 | 3.24 | 2.06 | 5.76 | 15.54 |
| Depreciation charge for the year | - | 0.23 | 3.56 | 0.96 | 4.44 | 1.62 | 10.82 |
| Disposals | - | - | - | - | - | - | - |
| **As at March 31, 2022** | **-** | **1.78** | **6.49** | **4.21** | **6.51** | **7.37** | **26.36** |
| Re-Classfication | | | | | | | - |
| Depreciation charge for the year | 1.41 | 0.08 | 3.21 | 2.09 | 3.39 | 1.40 | 11.58 |
| **As at March 31, 2023** | **1.41** | **1.86** | **9.70** | **6.30** | **9.90** | **8.77** | **37.94** |
| Re-Classfication | | | | | | | - |
| Depreciation charge for the year | 1.11 | 1.22 | 2.32 | 2.76 | 4.57 | 1.25 | 13.23 |
| **As at March 31, 2024** | **2.52** | **3.08** | **12.02** | **9.06** | **14.47** | **10.03** | **51.17** |
| Disposals | | | | | | | - |
| Depreciation charge for the year | 0.40 | 0.81 | 22.44 | 1.17 | 2.83 | 0.69 | 28.34 |
| **As at September 30, 2024** | **2.92** | **3.89** | **34.46** | **10.23** | **17.30** | **10.72** | **79.51** |
| **Net Block** | | | | | | | |
| **As at April 01, 2021** | **0.50** | **0.37** | **2.25** | **4.60** | **56.84** | **7.94** | **72.50** |
| **As at March 31, 2022** | **1.35** | **0.13** | **5.08** | **6.52** | **54.76** | **6.41** | **74.25** |
| **As at March 31, 2023** | **4.44** | **0.05** | **1.87** | **9.89** | **57.33** | **5.28** | **78.86** |
| **As at March 31, 2024** | **3.33** | **1.93** | **211.72** | **9.51** | **79.19** | **7.22** | **312.90** |
| **As at September 30, 2024** | **3.07** | **2.40** | **189.28** | **10.50** | **94.73** | **9.77** | **309.74** |

**Note 3 b) Capital work in progress**

The Company has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets.

| Capital WIP | Amount in CWIP as on March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2-3 years | More than 3 years | Total |
| Projects in Progress | 6.99 | - | - | - | 6.99 |

Capital WIP consists of Furniture and fixtures. There is no item in Captial WIP, whose completion is overdue or has exceeded its cost compared to its original plan or which is temporarily suspended.

**Note 4 Right-of-use assets**

| | (₹ in Million) |
|---|---|
| **Right of use Assets** | |
| **As at April 01,2021** | 22.30 |
| Additions | 7.42 |
| Depreciation expense | (11.23) |
| **As at April 01, 2022** | **18.50** |
| Additions | 85.63 |
| Depreciation expense | (16.22) |
| **As at March 31, 2023** | **87.90** |
| Additions | 30.28 |
| Depreciation expense | (23.31) |
| **As at March 31, 2024** | **94.88** |
| Additions | - |
| Depreciation expense | (17.70) |
| **As at September 30, 2024** | **77.18** |

**Note 5 Other financial assets (At Amortised Cost)** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Non-current** | | | | |
| *Unsecured (considered good)* | | | | |
| Security Deposit | 24.10 | 81.86 | 30.56 | 8.54 |
| **Total** | **24.10** | **81.86** | **30.56** | **8.54** |

**Note 6 Deferred tax assets (Net)**
**Income Tax**
**The major components of income tax expense for the year are as under:** (₹ in Million)

| (i) Amounts recognised in the Statement of Profit and Loss comprises : | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Current Tax** | | | | |
| - in respect of the current Year | 27.90 | 39.10 | 30.00 | 24.80 |
| | **27.90** | **39.10** | **30.00** | **24.80** |
| **Deferred Tax Expenses** | | | | |
| - Origination and reversal of temporary differences | 3.00 | 11.08 | (0.09) | (0.86) |
| **Total Income tax expenses** | **30.90** | **50.18** | **29.91** | **23.94** |

**Current tax liabilities (net)** (₹ in Million)

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Deferred Tax Assets/(Liabililities) Net | (11.96) | (8.96) | 2.13 | 2.04 |
| **Total** | **(11.96)** | **(8.96)** | **2.13** | **2.04** |

**Note 7 Other Non current assets** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Non-current** | | | | |
| Advance rent | 1.25 | 1.49 | 1.99 | 0.05 |
| **Total** | **1.25** | **1.49** | **1.99** | **0.05** |

**Note 8 Inventory** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Finished Goods | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| Valued at Cost or NRV whichever is lower (Refer Note 2.11) | | | | |
| **Total** | **3,811.70** | **3,142.62** | **1,349.96** | **1,127.39** |

**Note 9 Investment** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Current financial assets-Investments** | | | | |
| **<u>Investments at fair value through Profit & Loss</u>** | | | | |
| Investments in mutual funds (quoted) at fair value through Profit & Loss* | 73.65 | 70.12 | - | - |
| **Total** | **73.65** | **70.12** | **-** | **-** |

| | | As at September 30, 2024 | As at March 31, 2024 |
|---|---|---|---|
| | Units | NAV in Rs. | NAV in Rs. |
| SBI HDFC MAGNUM Gilt Fund | 3,95,839.34 | 63.21 | 59.66 |
| ICICI Mutual fund Gilt Fund | 2,56,245.88 | 96.74 | 92.77 |
| SBI Mutual fund Gilt Fund | 3,77,083.49 | 63.21 | 59.96 |
| *Aggregate book value of quoted investments* | | *67.50* | 67.50 |
| *Aggregate Net Asset Value of quoted investments* | | *73.65* | 70.12 |

*** Mutual Funds is pledged against Citi Bank Working Capital Loan**

**Note 10 Trade receivables** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Unsecured, considered good | 1,801.80 | 1,169.06 | 911.44 | 421.83 |
| **Total** | **1,801.80** | **1,169.06** | **911.44** | **421.83** |

(a) Trade Receivables ageing schedule is as follows:

**As at September 30, 2024** (₹ in Million)

| Particulars | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| **(i) Undisputed trade receivables** | | | | | | | |
| -considered good | - | 1,801.80 | - | - | - | - | 1,801.80 |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |
| **(ii) Disputed trade receivables** | | | | | | | |
| -considered good | - | - | - | - | - | - | - |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |

**As at March 31, 2024** (₹ in Million)

| Particulars | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| **(i) Undisputed trade receivables** | | | | | | | |
| -considered good | - | 1,169.06 | - | - | - | - | 1,169.06 |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | | | | | | | |
| **(ii) Disputed trade receivables** | | | | | | | |
| -considered good | - | - | - | - | - | - | |
| -significant increase in credit risk | - | - | - | - | - | - | |
| -credit impaired | - | - | - | - | - | - | |

**As at March 31, 2023** (₹ in Million)

| Particulars | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| **(i) Undisputed Trade receivables** | - | - | - | - | - | - | - |
| -considered good | - | 911.44 | - | - | - | - | 911.44 |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |
| **(ii) Disputed Trade receivables** | - | - | - | - | - | - | - |
| -considered good | - | - | - | - | - | - | - |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |

**As at March 31 2022** (₹ in Million)

| Particulars | Unbilled | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| **(i) Undisputed Trade receivables** | | | | | | | |
| -considered good | - | 421.83 | - | - | - | - | 421.83 |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |
| **(ii) Disputed Trade receivables** | | | | | | | |
| -considered good | - | - | - | - | - | - | - |
| -significant increase in credit risk | - | - | - | - | - | - | - |
| -credit impaired | - | - | - | - | - | - | - |

**Note 11 Cash and cash equivalents** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Balances with Banks** | | | | |
| – On current accounts | 37.45 | 47.96 | 18.25 | 7.92 |
| *Cash on hand* | 4.74 | 1.96 | 2.35 | 0.85 |
| **Cash and Cash Equivalents as per Balance Sheet** | **42.20** | **49.92** | **20.60** | **8.76** |

**Note 12 Bank balances other than cash and cash equivalents** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Bank deposits with original maturity of more than three months but less than twelve months | 820.92 | 629.13 | 253.70 | 202.72 |
| **Total** | **820.92** | **629.13** | **253.70** | **202.72** |

**Note 13 Other current assets** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Current** | | | | |
| VAT Receivable | 2.12 | 0.94 | - | - |
| Advance from vendors | 411.23 | 198.94 | 73.94 | 18.48 |
| Prepaid expenses | 2.20 | 5.14 | 0.51 | 15.71 |
| GST receivable | 21.18 | 84.78 | 21.39 | 43.33 |
| Advances Given to employees* | 4.77 | 6.78 | 3.77 | 5.49 |
| Other Advances | 8.38 | - | - | - |
| **Total** | **449.88** | **296.57** | **99.61** | **83.00** |

*Advance to Employees given are Interest free

**Note 14 Equity Share Capital** **(₹ in Million)**

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31 2022 |
|---|---|---|---|---|
| **Authorized** | | | | |
| 20,00,000 equity shares of INR 10/- each | 20.00 | 20.00 | 20.00 | 20.00 |
| | **20.00** | **20.00** | **20.00** | **20.00** |
| **Issued, subscribed and fully paid** | | | | |
| 38,776 equity shares of INR 10/- each | 0.39 | 0.39 | 0.39 | 0.39 |
| | **0.39** | **0.39** | **0.39** | **0.39** |

**Reconcilation of the Shares outstanding at the beginning and at the end of the reporting period**

| Particulars | Number of shares | Equity share capital |
|---|---|---|
| **As at April 01, 2021** | **38,031.00** | **0.38** |
| Issue of share capital | 745.00 | 0.01 |
| **As at March 31, 2022** | 38,776.00 | 0.39 |
| Issue of share capital during the year | - | - |
| **As at March 31, 2023** | 38,776.00 | 0.39 |
| Issue of share capital during the year | **-** | **-** |
| **As at March 31, 2024** | **38,776.00** | **0.39** |
| Issue of share capital during the year | **-** | **-** |
| **As at Sep 30, 2024** | **38,776.00** | **0.39** |

**Terms/ rights attached to equity shares:**
The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The equity shareholders are entitled to receive dividend in INR as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in the case of any interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after the distribution of all preferential amounts, in proportion to their shareholding.
The Company has neither issued equity shares pursuant to a contract without payment being received in cash nor issued any bonus shares, except bonus issue as per Note no. 47.3 and shares issued to Amiable Electronis Pvt. Ltd. which were issued other than cash for transfer of Business aquired vide 'Business Transfer Agreement' dated 17/02/2020 for aquiring trading business by the Company. Additionally, there has been no buy-back of shares since the incorporation of the Company

**Details of shareholders holding more than 5% shares in the company:**

| Name of promoter | As at September 30, 2024 | | As at March 31, 2024 | | As at March 31, 2022 | |
|---|---|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding |
| Sharad khandelwal | 7,172 | 18.50% | 7,174 | 18.50% | 7,174 | 18.50% |
| Vidhi Khandelwal | 7,174 | 18.50% | 7,174 | 18.50% | 7,174 | 18.50% |
| Amiable Electronics Pvt. Ltd | 22,216 | 57.29% | 22,216 | 57.29% | 22,216 | 57.29% |
| | **36,562** | **94.30%** | **36,564** | **94.30%** | **36,564** | **94.30%** |

**Details of shareholding of promoters**
**As at September 30, 2024**

| Name of promoter | Number of shares at the beginning of the year | Change during the period | Number of shares at the end of September 30,2024 | % of total shares |
|---|---|---|---|---|
| Sharad khandelwal | 7,174 | 2 | 7,172 | 18.50% |
| Vidhi Khandelwal | 7,174 | - | 7,174 | 18.50% |
| Amiable Electronics Pvt. Ltd | 22,216 | - | 22,216 | 57.29% |

**As at March 31, 2024**

| Name of promoter | Number of shares at the beginning of the year | Change during the year | Number of shares at the end of the year | % of total shares |
|---|---|---|---|---|
| Sharad khandelwal | 7,174 | - | 7,174 | 18.50% |
| Vidhi Khandelwal | 7,174 | - | 7,174 | 18.50% |
| Amiable Electronics Pvt. Ltd | 22,216 | - | 22,216 | 57.29% |

**As at March 31, 2023**

| Name of promoter | Number of shares at the beginning of the year | Change during the year | Number of shares at the end of the year | % of total shares |
|---|---|---|---|---|
| Sharad khandelwal | 7,174 | - | 7,174 | 18.50% |
| Vidhi Khandelwal | 7,174 | - | 7,174 | 18.50% |
| Amiable Electronics Pvt. Ltd | 22,216 | - | 22,216 | 57.29% |

**As at March 31, 2022**

| Name of promoter | Number of shares at the beginning of the year | Change during the year | Number of shares at the end of the year | % of total shares |
|---|---|---|---|---|
| Sharad khandelwal | 7,174 | - | 7,174 | 18.50% |
| Vidhi Khandelwal | 7,174 | - | 7,174 | 18.50% |
| Amiable Electronics Pvt. Ltd | 22,216 | - | 22,216 | 57.29% |

**Note 15 Other equity**
**Reserves and Surplus** (₹ in Million)

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| | - | | | |
| Securities Premium | 371.67 | 371.67 | 371.67 | 371.62 |
| General reserve | 120.30 | 120.30 | 120.30 | 120.30 |
| Retained earnings | 1,148.47 | 627.51 | 304.23 | 87.09 |
| Profit for the year | 351.00 | 520.96 | 323.28 | 217.14 |
| Other Comprehensive income | (15.76) | (9.41) | (3.92) | (2.96) |
| **Closing balance** | **1,975.67** | **1,631.02** | **1,115.56** | **793.19** |

| | | | | |
|---|---|---|---|---|
| **a) Securities Premium Account** | | | | |
| Balance as per The Last Financial Statements | 371.67 | 371.67 | 371.62 | 371.62 |
| Addition/Deletion During The Year | - | - | 0.05 | - |
| **Closing balance** | **371.67** | **371.67** | **371.67** | **371.62** |

| | | | | |
|---|---|---|---|---|
| **b) General Reserve** | | | | |
| Balance as per The Last Financial Statements | 120.30 | 120.30 | 120.30 | 95.17 |
| Addition/Deletion During The Year | - | - | - | 25.13 |
| **Closing balance** | **120.30** | **120.30** | **120.30** | **120.30** |

| | | | | |
|---|---|---|---|---|
| **c) Other Comprehensive Income & Foreign Currency Fluctation Reserve** | | | | |
| Balance as per The Last Financial Statements | (9.41) | (3.92) | (2.96) | - |
| Add: Amount Transferred From Surplus Balance in the Statement Profit and Loss | (6.35) | (5.49) | (0.96) | (2.96) |
| **Closing balance** | **(15.76)** | **(9.41)** | **(3.92)** | **(2.96)** |

**d) Surplus/(Deficit) in the Statement of Profit And Loss Account**

| | | | | |
|---|---|---|---|---|
| Balance as per The Last Financial Statements | 1,123.34 | 602.38 | 279.10 | 87.09 |
| Add: Openings Ind AS Impacts | | | | |
| Add: Profit / (Loss) For The Year | 351.00 | 520.96 | 323.28 | 217.14 |
| Add/(Less): Transfer to General Reserve | | | | (25.13) |
| **Net Surplus in The Statement of Profit And Loss** | **1,474.34** | **1,123.34** | **602.38** | **279.10** |
| Ind AS transition adjustments | - | - | - | - |
| **Balance at End of the Period/Year** | **1,474.34** | **1,123.34** | **602.38** | **279.10** |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 16 Borrowings (Refer note 2.7)** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Non-current** | | | | |
| **Within India** | | | | |
| (Secured, at amortised cost) (Refer note 16.1) | | | | |
| Term loans from banks | 58.24 | 81.77 | 131.31 | 153.85 |
| (Unsecured, at amortised cost) | | | | |
| Loan from NBFC | 137.63 | - | - | 5.01 |
| **Outside India** | | | | |
| Unsecured Loan (Refer note 16.2) | 585.62 | - | - | - |
| | **781.49** | **81.77** | **131.31** | **158.86** |

**(₹ in Million)**

| **Terms of Repayment** | **As at September 30, 2024** | | **FY 24** | | **FY 23** | | **FY 22** | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Non Current portion (Beyond one Year)** | **Current portion (Within one year)** | **Non Current portion (Beyond one Year)** | **Current portion (Within one year)** | **Non Current portion (Beyond one Year)** | **Current portion (Within one year)** | **Non Current portion (Beyond one Year)** | Current portion (Within one year) |
| **Within India** | | | | | | | | |
| Term loans from Banks | 58.24 | 46.39 | 81.77 | 45.22 | 131.31 | 25.76 | 153.85 | 24.61 |
| Loans from NBFC | 137.63 | 75.62 | - | - | | | 5.01 | 10.00 |
| **Outside India** | | | | | | | | |
| Unsecured Loan | 585.62 | | | | | | | |
| **Total** | **781.49** | **122.01** | **81.77** | **45.22** | **131.31** | **25.76** | **158.86** | **34.61** |

**Note 16.1** **(₹ in Million)**

| Name | Collateral | Purpose | Tenor in Months | Rate of Interest |
|---|---|---|---|---|
| Axis Bank | Extension of hypothecation on current assets, collateral Security against FD and personal guarantee of the Directors | Working Capital | 60 | 8.85% |
| HDFC Bank | Extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank and personal guarantee of the Directors | Working Capital | 60 | 7.45% |
| HDFC Bank Car loan | Against Hypothecation of Motor car | Auto Premium Loan | 48 | 6.90% |

**Note 16.2**

| | | | | |
|---|---|---|---|---|
| Amit Midha | Loan repayable on Demand | Working Capital | Payable on Demand | - |

**Note 17 Lease liability** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Non-current** | | | | |
| Lease liabilities | 54.51 | 67.92 | 65.21 | 6.94 |
| | **54.51** | **67.92** | **65.21** | **6.94** |

**Note 18 Provisions** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Provisions** | | | | |
| **Non-Current** | | | | |
| **Employee benefit obligations** | - | - | - | - |
| Gratuity* | 6.72 | 4.07 | 1.62 | 4.03 |
| | **6.72** | **4.07** | **1.62** | **4.03** |

**Note 19 Borrowings (Refer note 2.7)** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Current** | | | | |
| **(Secured, at amortised cost) (Refer note 19.1)** | | | | |
| Term loans Current Maturities | - | - | - | - |
| **Working Capital** | | | | |
| Within India | 2,949.72 | 2,261.56 | 752.58 | 571.97 |
| Outside India | 1,136.47 | 834.77 | 253.66 | |
| **(Unsecured, at amortised cost)** | | | | |
| Loan from NBFC Current Maturities | | | | |
| Within India | - | - | - | - |
| **Total** | **4,086.20** | **3,096.33** | **1,006.24** | **571.97** |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 19.1**

| Name | Collateral | Purpose | Tenor in Months | Rate of Interest |
|---|---|---|---|---|
| Axis Bank Limited | 1. FDs: Rs. 34.7mn<br>2.EM/RM of Residential Property at below address: A 702, Sunmist N S Phadke Marg, (Area 1553 sq ft) in the name of Sharad Khandelwal and Vidhi Khandelwal (MV-31.3 mn)<br>Total Value of Collateral : Rs. 66mn | Working Capital | 12 | 9.50% |
| Citi Bank<br>Citi Bank | 1. A First Paripassu Charge on current assets (Stock and Book debts) of the Borrowers.<br>2. Pledge of Mutual fund of INR 67.5 Million (Mutual Fund to be obtained in proportion of limits being released). Mutual funds being pledge shall be in the form and manner acceptable to citibank.<br>3. Personal Guarantee of Vidhi Khandelwal and Sharad Khandelwal | Working Capital | 12 | 7.00% |
| DBS Bank India Limited<br>DBS Purchase Bill Discounting | 1. Personal Guarantee of :<br>Sharad Khandelwal<br>Vidhi Khandelwal<br>2. Fixed Deposits:<br>Collateral Fixed Deposits of INR 45 mn | Working Capital | 12 | 9.60% |
| Federal bank Cash Credit<br>FEDERAL BANK WCDL | Cash collateral @15% : FD of Rs 37.5 mn in the name of Co/promoters lien marked to the limits upfront. | Working Capital | 12 | 9.10% |
| HDFC BANK LTD Cash Credit<br>HDFC WCDL<br>HDFC Purchase Discounting | FD,PERSONAL GUARANTEE of Sharad Khandelwal and Vidhi Khandelwal,STOCK,BOOK DEBTS,GOVERNMENT GUARANTEE,FD @ 30% FOR SBLC LIMIT,CURRENT ASSETS | Working Capital | 12 | 9.25% |
| ICICI Bank Cash Credit<br>ICICI WCDL | PERSONAL GUARANTEE of Sharad Khandelwal and Vidhi Khandelwal ,FD<br>@ 15% Margin | Working Capital | 3 | 9.00% |
| Standard Chartered<br>IDFC WCDL | PERSONAL GUARANTEE of Sharad Khandelwal and Vidhi Khandelwal ,FD<br>@ 15% Margin | Working Capital | 12 | 9.60% |
| Kotak Bank Cash Credit<br>Kotak WCDL | PERSONAL GUARANTEE of Sharad Khandelwal and Vidhi Khandelwal ,<br>FD @ 15% Margin | Working Capital | 3 | 3M MCLR + 0.15% |
| Vivrity Capital | Guarantors:<br>Sharad Khandelwal<br>Vidhi Sharad Khandelwal<br>Amiable Electronics Pvt Ltd | Working Capital | 12 | 12% |
| Aditya Birla Finance Limited | Security PDCs/ ECS Mandate with Undertaking, DSRA and Other Securities | Working Capital | 12 | 9.50% |
| TVS Credit | Hypothecation on current assets of the company funded by TVSCS | Working Capital | 12 | 10.50% |
| Hero FinCorp | NA | Working Capital | 12 | 9.25% |
| Cholamandalam Investment and Finance Company | 1. Upto 5CR SPDC from GNG Electronics Pvt Ltd<br>2. Upto Sanction limit amount 3 SPDC from Kay Kay overseas Corporation, Sharad Khandelwa and Vidhi Khandelwal | Working Capital | 15 | 16.78% |
| Unity Small Finance Bank | NA | Working Capital | 12 | 11% |
| Centrum Financial Services | NA | Working Capital | 12 | 13% |
| DBS Bank | 1. Personal Guarantee of :<br>Sharad Khandelwal<br>Vidhi Khandelwal<br>2. Fixed Deposits:<br>Collateral Fixed Deposits of INR 63 mn | Working Capital | 12 | 9.60% |
| Yes Bank | 1. Personal Guarantee of :<br>Sharad Khandelwal<br>Vidhi Khandelwal<br>2. Fixed Deposits:<br>Collateral Fixed Deposits of INR 63 mn | Working Capital | 12 | 3M Tbill + 2.61% p.a |
| Standard Chartered | 1. Personal Guarantee of :<br>Sharad Khandelwal<br>Vidhi Khandelwal<br>2. FD Margin 15% of Facilty amount. | Working Capital | 4 | 9.50% |

| **Name** | **Collateral** | **Purpose** | **Tenor in Months** | **Rate of Interest** |
|---|---|---|---|---|
| Tata Capital Financial Services Ltd | Lien on FDR<br>Personal gurantee of Sharad Khandelwal and Vidhi Khandelwal | Working Capital | 3 | 9.85% |
| Tata capital | NA | Working Capital | 12 | 10.55% |
| Tata capital CF | NA | Working Capital | 12 | 9.50% |
| Tata capital STL | NA | Working Capital | 24 | 10.50% |
| Profectus Capital Pvt Ltd | Guarantors:<br>Sharad Khandelwal<br>Vidhi Sharad Khandelwal<br>Amiable Electronics Pvt Ltd | Working Capital | 12 | 11.25% |
| RBL Bank | 1. Personal guarantee of :<br>Sharad Khandelwal<br>Vidhi Khandelwal<br>2. FD Margin 15% of Facilty amount. | Working Capital | 12 | One Year MCLR |
| **Outside India** | | | | |
| Emirates Islamic Bank | 1. Personal Guarantee Sharad Khandelwal and Vidhi Khandelwal<br>2. Corporate Guarantee of M/s GNG Electronics Private Limited<br>3. Pledge over stock in favour of the Bank. | Working Capital | 3 | 6.50% |
| RAK Bank Short Term loan | 1. Personal Guarantee Sharad Khandelwal and Vidhi Khandelwal | Working Capital | 3 | 4% |
| HDFC SBLC - LOAN | Exclusive charges on the SBLC issued by bank ,SBLC amount shall be 110% of the WCDL Limit | Working Capital | 12 | MCLR + 1% |
| ADIB Finance Account | 1. Corporate Guarantee of M/S GNG Electronics Pvt Ltd<br>2. Personal Guarantee from Sharad Khandelwal and Vidhi Khandelwal<br>3. Hypothecation on all present and Future Stock to be registered under Emirate Integrated | Working Capital | 4 | 7% |
| CBD Finance | 1. Corporate Guarantee of M/S GNG Electronics Pvt Ltd<br>2. Personal Guaranntee from Sharad Khandelwal and Vidhi Khandelwal | Working Capital | 3 | 6% |

**Note 20 Lease Liability** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Current** | | | | |
| Lease liabilities | 26.92 | 26.36 | 18.43 | 11.95 |
| **Total** | **26.92** | **26.36** | **18.43** | **11.95** |

**Note 21 Trade payables** (₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Trade Payables | | | | |
| - total outstanding dues of micro and small enterprises | 2.74 | - | | |
| - total outstanding dues of creditors other than micro and small enterprises* | 298.57 | 841.16 | 104.05 | 113.72 |
| **Total** | **301.30** | **841.16** | **104.05** | **113.72** |

**a. Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED),2006**

Amount due to Micro enterprises and small enterprises under Micro, Small and Medium Enterprises Development Act 2006 & SSI has been segregated on the basis of Confirmation obtained from Suppliers who have registered themselves under the Small and Medium Enterprises Development Act 2006 and based on the information available with the company for the purpose of ascertaining the liability, if any. No interest in terms of section 16 of Micro, Small and Medium Enterprises Development Act 2006 or otherwise has either been paid or payable or accrual and remaining unpaid as at September 30th, 2024. No such breakup was available for corresponding year of 31st March 2024,31st March'2023,31st March'2022 and for Trade Payables of foreign subsidiaires as said provision is not applicable in the country of incorporation. Based on the information available with the company, the following are the details:

(₹ in Million)

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| i) the principal amount remaining unpaid to any | 2.74 | - | - | - |
| ii) Interest due thereon | - | - | - | - |
| iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; Interest accrued and due thereon remaining unpaid | - | - | - | - |
| iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act; | - | - | - | - |
| v) the amount of interest accrued and remaining unpaid at the end of each accounting period; and | - | - | - | - |
| vi) the amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | - | - | - | - |

**b. Ageing schedule of trade payables:**

(₹ in Million)

| As at Sep 30, 2024: | Unbilled | Outstanding for following periods from due date of payment<br>Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | - | 2.74 | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | - | 298.57 | - | - | - |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |

In terms of Section 22 of Micro, Small and Medium Enterprises Development Act 2006, the Outstanding to these enterprises are required to be disclosed. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished for March 31, 2024, March 31, 2023 and March 31, 2022

**Outstanding for following periods from due date of payment** **(₹ in Million)**

| As at March 31, 2024: | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | - | 841.16 | - | - | - |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |

**Outstanding for following periods from due date of payment** **(₹ in Million)**

| As at March 31, 2023: | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | - | 104.05 | - | - | - |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |

-

**Outstanding for following periods from due date of payment** **(₹ in Million)**

| As at March 31, 2022: | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
|---|---|---|---|---|---|
| (i) Total outstanding dues of micro and small enterprises | - | - | - | - | - |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | - | 113.72 | - | - | - |
| (iii) Disputed dues of micro and small enterprises | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro and small enterprises | - | - | - | - | - |

**Note 22 Other Liabilities** **(₹ in Million)**

| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|---|
| **Current** | | | | |
| **(Secured, at amortised cost)** (Refer note 17.1) | | | | |
| Within India | | | | |
| Term loans Current Maturities | 46.39 | 45.22 | 25.76 | 34.61 |
| **(Unsecured, at amortised cost)** | | | | |
| Within India | | | | |
| Loan from NBFC Current Maturities | 75.62 | | 356.91 | 237.24 |
| **Total** | **122.01** | **45.22** | **382.67** | **271.85** |

**Note 23 Provisions** **(₹ in Million)**

| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|---|
| **Current** | | | | |
| Employee benefit obligations | | | | |
| Gratuity | 1.52 | 2.15 | 5.08 | 0.34 |
| Provision forExpenses | 32.03 | 42.38 | 15.66 | 7.37 |
| **Total** | **33.55** | **44.53** | **20.74** | **7.71** |

**Note 24 Other current liabilities** **(₹ in Million)**

| **Particulars** | **As at September 30, 2024** | **As at March 31, 2024** | **As at March 31, 2023** | **As at March 31, 2022** |
|---|---|---|---|---|
| Statutory dues payable | 2.88 | 6.00 | 6.37 | 2.38 |
| Deposit | - | 0.11 | 0.11 | 0.17 |
| **Total** | **2.88** | **6.11** | **6.48** | **2.55** |

**Note 25 Revenue from Operations*** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Within India** | | | | |
| Sale of Product | 1,393.02 | 4,674.65 | 3,119.69 | 2,997.84 |
| Incentive Income | 48.49 | 105.63 | 143.23 | 114.74 |
| Leasing | 38.79 | 3.62 | - | - |
| **Total Within India** | 1,480.30 | 4,783.90 | 3,262.92 | 3,112.58 |
| **Outside India** | | | | |
| Sales | 4,599.32 | 6,597.48 | 3,332.50 | 2,092.37 |
| **Total** | **6,079.62** | **11,381.38** | **6,595.42** | **5,204.95** |

***Refer Note 39**

**Note 26 Other income** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Interest on FD (On EIR Basis) | 25.75 | 26.55 | 11.66 | 8.87 |
| Interest From others (On EIR Basis) | 0.21 | 0.40 | 0.37 | 0.14 |
| Export Incentive | 8.73 | 7.17 | 0.80 | 0.16 |
| Other Income | 0.07 | 0.38 | 1.48 | 2.82 |
| Exchange fluctuation gain (Net) | 11.82 | 19.47 | 18.12 | 2.25 |
| Net gain on fair value change on investment | 3.53 | 2.62 | - | - |
| **Total** | **50.10** | **56.59** | **32.44** | **14.24** |

**Note 27 Direct Costs** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Purchases within India (Net of Returns) | 3,836.93 | 5,941.64 | 4,255.71 | 3,373.05 |
| Purchases (Outside India) | 1,620.45 | 5,349.19 | 1,402.58 | 1,313.97 |
| Other related cost | 265.10 | 481.70 | 148.24 | 91.65 |
| **Total** | **5,722.48** | **11,772.53** | **5,806.54** | **4,778.67** |

**Note 28 Changes in inventories of Finished Goods** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Opening Stock | 3,142.62 | 1,349.96 | 1,127.39 | 937.16 |
| Less :- Closing Stock | 3,811.70 | 3,142.62 | 1,349.96 | 1,127.39 |
| **Total** | **(669.08)** | **(1,792.67)** | **(222.56)** | **(190.23)** |

**Note 29 Employees' benefit expenses**

**(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Salaries & wages | 238.03 | 332.25 | 188.49 | 91.74 |
| Contribution to provident and other funds | 3.28 | 4.48 | 0.97 | 0.09 |
| Gratuity | 3.62 | 5.97 | 3.40 | 1.58 |
| Staff welfare expenses | 6.14 | 13.24 | 3.30 | 1.97 |
| **Total** | **251.07** | **355.94** | **196.16** | **95.39** |

**Note 30 Finance costs** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Interest charges - bank (On EIR Basis) | 132.72 | 183.27 | 85.65 | 73.75 |
| Interest expenses on lease liability (On EIR Basis) | 2.03 | 4.85 | 2.26 | 1.49 |
| Other finance cost | 59.57 | 51.15 | 30.50 | 6.98 |
| **Total** | **194.32** | **239.27** | **118.41** | **82.21** |

**Note 31 Depreciation and amortisation** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Depreciation on Property, Plant and equipment | 28.34 | 13.23 | 11.58 | 10.82 |
| Depreciation on ROU | 17.70 | 23.31 | 16.22 | 11.23 |
| **Total** | **46.05** | **36.54** | **27.80** | **22.05** |

**Note 32 Other expenses** **(₹ in Million)**

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Legal & Professional Charges | 12.24 | 20.60 | 4.31 | 4.93 |
| Audit Fees | 0.18 | 0.40 | 0.48 | 0.41 |
| Insurance Charge | 12.70 | 4.19 | 4.84 | 7.02 |
| Office Expenses | 19.20 | 27.73 | 16.33 | 31.64 |
| Rent, Rates & taxes | 14.23 | 15.71 | 5.83 | 17.95 |
| Freight Outward Charge | 47.95 | 33.34 | 61.05 | 19.26 |
| Website Maintenance Charges | 2.61 | 2.58 | 2.38 | 9.29 |
| Payment Collection other charges | 2.48 | 31.69 | 162.03 | 1.62 |
| Electricity | 7.50 | 8.79 | 5.33 | 4.29 |
| Travelling & Conveyance Expenses | 35.78 | 48.78 | 33.47 | 21.59 |
| Telephone & Internet | 3.04 | 3.29 | 1.44 | 1.27 |
| CSR Expenses | - | 1.63 | 0.93 | - |
| Advertisement & Sales Promotion | 8.29 | 29.54 | 30.98 | 43.25 |
| Printing & Stationery | 0.88 | 1.90 | 0.96 | 0.43 |
| Fees & Charges | 3.86 | 12.18 | 3.68 | 3.93 |
| Miscellaneous Expenses | 20.62 | 10.77 | 13.29 | 21.76 |
| **Total** | **191.56** | **253.13** | **347.32** | **188.66** |

**(₹ in Million)**

| Payment to Auditors | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **As auditor:** | | | | |
| Audit fee | 0.17 | 0.33 | 0.33 | 0.33 |
| **In other capacity:** | | | | |
| Tax audit fee | 0.01 | 0.07 | 0.07 | 0.07 |
| Other services (certification fees) | - | - | 0.08 | 0.01 |
| **Total** | **0.18** | **0.40** | **0.48** | **0.41** |

**Note 33**
**Income taxes**
**Income Tax Expenses**
The major components of income tax expenses are: **(₹ in Million)**

| **(i) Statement of Profit & Loss section** | **For the period ended September 30, 2024** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|---|
| **Current tax** | | | | |
| In respect of the current year | 27.90 | 39.10 | 30.00 | 24.80 |
| In respect of the previous year | 10.31 | - | - | 0.81 |
| Adjustment in respect of current income tax of previous year | | | | |
| | 38.21 | 39.10 | 30.00 | 25.61 |
| **Deferred tax** | | | | |
| Relating to origination and reversal of temporary differences | 3.00 | 11.08 | (0.09) | (0.43) |
| | 3.00 | 11.08 | (0.09) | (0.43) |
| **Total income tax expense recognised in the current year** | 41.21 | 50.18 | 29.91 | 25.18 |

**(₹ in Million)**

| **(ii) Other comprehensive Income** | **For the period ended September 30, 2024** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|---|
| **Current Tax** | | | | |
| In respect of the current year | | | | |
| **Total Income tax expense recognised in other comprehensive income** | - | - | - | - |
| **The Income tax expense for the year can be reconciled to the accounting profit as follows:** | | | | |
| Profit before tax | 393.33 | 573.23 | 354.19 | 242.45 |
| Income tax expense as per income tax Act 1961 | 27.90 | 39.10 | 30.00 | 24.80 |
| Others(Deferred tax) | 3.00 | 11.08 | (0.09) | (0.43) |
| **Total** | **30.90** | **50.18** | **29.91** | **24.37** |

GNG ELECTRONICS LIMITED
(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)
CIN: U72900MH2006PLC165194
Notes to the Restated Financial Statements

**Note 34**
**Earnings Per Share (EPS)**
Basic EPS and Diluted amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

The Company does not have any outstanding potential dilutive equity shares.
The following table reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Million)

| Particulars | For the period ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| Profit attributable to owners of the company | 351.00 | 521.38 | 323.28 | 217.13 |
| Profit attributable to non controlling tnterest | 1.12 | 1.67 | 1.00 | 0.57 |
| Weighted average number of equity shares used for basic and diluted EPS (Pre Split and Pre Bonus) | 38,776 | 38,776 | 38,776 | 38,033 |
| Weighted average number of equity shares used for basic and diluted EPS (Post Split and Post Bonus) (Refer Note 47.2, 47.3) | 9,71,33,880 | 9,71,33,880 | 9,71,33,880 | 9,71,33,137 |
| Basic EPS (INR) | 9,052.02 | 13,446.04 | 8,337.19 | 5,599.57 |
| Diluted EPS (INR) | 9,052.02 | 13,446.04 | 8,337.19 | 5,708.95 |
| Basic and Diluted EPS (INR) (After Consisdering Sub division and Bonus impact with retrospective effect) | 3.61 | 5.37 | 3.33 | 2.24 |
| Face value per share (INR) | **10.00** | **10.00** | **10.00** | **10.00** |

Computation of weighted average number* of equity shares for calculation of Basic and Diluted earnings per share:

Net Assets Value / Book value per share = Net Worth / No. of equity share at the end of the year
As per Indian Accounting standard 33 (IND AS-33), If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are approved for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares. The fact that per share calculations reflect such changes in the number of shares shall be disclosed. In addition, basic and diluted earnings per share of all periods presented shall be adjusted for the effects of errors and adjustments resulting from changes in accounting policies accounted for retrospectively.

| Particulars | Number of equity shares | Weighted average number of shares* |
|---|---|---|
| Equity shares of face value of INR 10 per share: | | |
| **As at April 01, 2021** | **38031.00** | **38031.00** |
| Issued during the year | 745.00 | 2.04 |
| **As at April 01, 2022** | **38776.00** | **38033.04** |
| Issued during the year | - | - |
| **As at April 01,2023** | **38776.00** | **38776.00** |
| Issued during the year | - | - |
| **As at March 31, 2024** | **38776.00** | **38776.00** |
| Issued during the year | - | - |
| **As at September 30, 2024** | **38776.00** | **38776.00** |

*The weighted average number of shares takes into account the weighted average effect of changes in equity share transactions during the year.

**Note 35** (₹ in Million)

| Deferred tax assets/(liabilities) | For the year ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Deferred tax assets in relation to:** | | | | |
| Right-of-use assets and lease liabilities (net) | 0.15 | 0.50 | (0.12) | 0.10 |
| Impact of difference between tax depreciation and depreciation charged for the financial reporting | (11.05) | (8.09) | 2.11 | 1.61 |
| Provision for employee benefits | (0.17) | (0.70) | 0.14 | 0.33 |
| **Deferred tax liabilities in relation to:** | | | | |
| Fair valuation of mutual funds | (0.89) | (0.66) | - | - |
| **Deferred tax assets (net)** | **(11.96)** | **(8.96)** | **2.13** | **2.04** |

**(a) Movement in deferred tax assets/(liabilities) for the period ended Sep 30, 2024 is as follows:**

(₹ in Million)

| Description | Recognised in Profit or loss | Recognised in other comprehensive Income | Closing balance |
|---|---|---|---|
| **Deferred tax assets in relation to:** | | | |
| Right-of-use assets and lease liabilities | **(0.35)** | - | **0.15** |
| **Deferred tax liabilities in relation to:** | | | |
| Fair Value Gain on Investments | **(0.23)** | - | **(0.89)** |
| Impact of brought forward losses or depreciation | **(2.96)** | - | **(11.05)** |
| Provision for employee benefits | **0.54** | - | **(0.17)** |
| **Deferred tax assets (net)** | **(3.00)** | **-** | **(11.96)** |

**(a) Movement in deferred tax assets/(liabilities) for the year ended March 31, 2024 is as follows:**

**-** (₹ in Million)

| Description | Recognised in Profit or loss | Recognised in other comprehensive Income | Closing balance |
|---|---|---|---|
| **Deferred tax assets in relation to:** | | | |
| Right-of-use assets and lease liabilities | **0.62** | - | **0.50** |
| **Deferred tax liabilities in relation to:** | | | |
| Fair Value Gain on Investments | **(0.66)** | - | **(0.66)** |
| Impact of brought forward losses or depreciation | **(10.20)** | - | **(8.09)** |
| Provision for employee benefits | **(0.84)** | - | **(0.70)** |
| **Deferred tax assets (net)** | **(11.08)** | **-** | **(8.96)** |

**Movement in deferred tax assets/(liabilities) for the year ended March 31, 2023 is as follows:** (₹ in Million)

| Description | Recognised in Profit or loss | Recognised in other comprehensive Income | Closing balance |
|---|---|---|---|
| **Deferred tax assets in relation to:** | | | |
| Impact of brought forward losses or depreciation | **0.50** | - | **2.11** |
| Provision for employee benefits | **(0.19)** | - | **0.14** |
| **Total** | **0.31** | **-** | **2.25** |
| **Deferred tax liabilities in relation to:** | | | |
| Right-of-use assets and lease liabilities | **(0.22)** | - | **(0.12)** |
| **Deferred tax assets (net)** | **0.09** | **-** | **2.13** |

**(b) Movement in deferred tax liabilities for the period ended 31 March 2022 is as follows:** (₹ in Million)

| Description | Recognised in Profit or loss | Recognised in other comprehensive Income | Closing balance |
|---|---|---|---|
| **Deferred tax assets in relation to:** | | | |
| Right-of-use assets and lease liabilities | **0.10** | - | **0.10** |
| Impact of brought forward losses or depreciation | **0.43** | - | **1.61** |
| Provision for employee benefits | **0.33** | - | **0.33** |
| **Deferred tax (liabilities) Assets (net)** | **0.86** | **-** | **2.04** |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 36**
**Leases**
**Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:**

(₹ in Million)

| Particulars | Office building |
|---|---|
| As at April 01,2021 | 22.30 |
| Additions | 7.42 |
| Depreciation expense | (11.23) |
| **As at April 01, 2022** | 18.50 |
| Additions | 85.63 |
| Depreciation expense | (16.22) |
| **As at March 31, 2023** | **87.90** |
| Additions | 30.28 |
| Depreciation expense | (23.31) |
| **As at Mar 31, 2024** | **94.88** |
| **Additions** | - |
| **Depreciation expense** | (17.70) |
| **As at September 30, 2024** | 77.18 |

**Set out below are the carrying amounts of lease liabilities and the movements during the year:**

(₹ in Million)

| Particulars | For the year ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| **Opening balance** | 0.00 | 83.64 | 18.89 | 22.30 |
| Addition during the year | - | 30.31 | 85.74 | 7.42 |
| Accretion of interest | 8.37 | 7.22 | 2.85 | 1.49 |
| Payments (including payment of interest on lease liability) | (21.22) | (26.88) | (23.84) | (12.32) |
| **Closing balance** | **(12.85)** | **94.28** | **83.64** | **18.89** |

(₹ in Million)

| Particulars | For the year ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| Current | 26.92 | 26.36 | 14.59 | 11.95 |
| Non-current | 54.51 | 67.92 | 69.05 | 6.94 |
| **Total** | **81.43** | **94.28** | **83.64** | **18.89** |

The effective interest rate for lease liabilities is 9.0%, with maturity between 2026-2061.

**The following are amounts recognised in profit or loss:** (₹ in Million)

| Particulars | For the year ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| Depreciation expense of right-of-use assets | 17.70 | 23.31 | 16.22 | 11.23 |
| Interest expense on lease liabilities | 8.37 | 7.22 | 2.85 | 1.49 |
| Expense relating to short-term leases (included in other expenses) | **26.07** | **30.52** | **19.07** | **12.71** |

**Note 37**

**Capital management**

The Company manages it's capital to ensure that the Company will be able to continue as going concern, while maximising the return to stake holders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. The Company's funding requirements are met through equity infusions and term loan from banks.

The Company's adjusted net debt to equity ratio as at year end were as follows: **(₹ in Million)**

| **Particulars** | **For the year ended September 30, 2024** | **For the year ended March 31, 2024** | **For the year ended March 31, 2023** | **For the year ended March 31, 2022** |
|---|---|---|---|---|
| Long-term borrowings including lease liabilities | 835.99 | 149.70 | 196.52 | 165.79 |
| Current maturities of long term borrowing including lease liabilities | 4,113.12 | 3,122.69 | 1,024.66 | 583.92 |
| **Total borrowings** | **4,949.11** | **3,272.38** | **1,221.19** | **749.72** |
| Less: | | | | |
| Cash and cash equivalents | 42.20 | 49.92 | 20.60 | 8.76 |
| Bank balances other than cash and cash equivalents | 820.92 | 629.13 | 253.70 | 202.72 |
| **Net debt** | **4,085.99** | **2,593.33** | **946.89** | **538.23** |
| Total equity | 1,981.54 | 1,635.80 | 1,118.26 | 794.89 |
| **Adjusted net debt to total equity ratio** | 2.06 | 1.59 | 0.85 | 0.68 |

The Management of the Company reviews the capital structure of the Company on regular basis. As part of this review, the management of the Company considers risk associated with the movement in the working capital.

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 38**
**Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**
**Related parties Disclosure**
**i) List of related parties**
List of the related parties and all related party transactions of the consolidated entities (whether eliminated on consolidation or not), which require disclosure under Ind AS 24 and/ or covered under section 188(2) of the Companies Act, 2013 (as amended), as disclosed in the separate financial statement of the consolidated entities, should be disclosed in the restated financial information.
**Name of Related Party and Relationship**

**a) Subsidiary Company**

| Name of Party | Relationship |
|---|---|
| Electronics Bazaar FZC (Incorporated in UAE) | Subsidiary |

**b)Step Down Subsidiary**

| Name of Party | Relationship |
|---|---|
| Bright World Technology Inc (Incorporated in USA)* | Step down Subsidiary |
| Sun Electronics Corporation (Incorporated in USA)* | Step down Subsidiary (July 09, 2024) |
| Kay Kay Overseas Corporation (Incorporated in USA)* | Step down Subsidiary (July 09, 2024) |
| Electronics Bazaar B.V.* (Incorporated in Netherlands) | Step down Subsidiary (August 05, 2024) |
| Electronics Bazar Inc (Incorporated in Canada)* | Step down Subsidiary (May 14, 2024) |

* Investment made in step down subsidiary which is disclosed above are investment made at Zero Par Value.

**c) Key Management Personnel (KMP) and their relatives**

| Name of Party | Relationship |
|---|---|
| Sharad Khandelwal | Director |
| Vidhi Khandelwal | Director |
| Pramila Khandelwal | Relative of Director |
| Vivek Khandelwal | Relative of Director |
| Karuna Ringshia | Relative of Director |
| Govindnarain Khandelwal | Relative of Director |
| Sohum Khandelwal | Relative of Director |
| Satya Narain Rawat | Relative of Director |
| Meera Rawat | Relative of Director |
| Nidhee Khandelwal | Relative of Director |
| Ashish Rawat | Relative of Director |
| Shubhra Dhamani | Relative of Director |

**d) Entities where there is significant influence through KMP or their relatives**

| Name of Party | Relationship |
|---|---|
| Kay Kay overseas corporation | Associate Concerns |
| R2 venture | Associate Concerns |
| Electronics Bazar Inc (Incorporated in USA) | Associate Concerns |
| Amiable Electronics Private Limited | Associate Concerns |
| RR Enterprise | Associate Concerns |

**e) Shareholder**

| | |
|---|---|
| Amit Midha | Shareholder |

**ii) Related Party Transactions**

**For the period ended September 30, 2024** **(₹ in Million)**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current Period | Previous Year | Current Period | Previous Year |
| Kay Kay Overseas Corporation | Purchases | 730.54 | 454.49 | - | - |
| | Sales | 5.27 | 0.73 | | |
| R2 Venture | Purchases | 23.78 | 40.37 | (3.34) | (2.90) |
| | Sales | 0.02 | - | | |
| Electronics Bazar Inc (USA) | Sales | 1,092.41 | 1,298.72 | (497.61) | (471.99) |
| | Purchase | 890.57 | 1,661.70 | | |
| | Foreign exchange Gain/(Loss) | - | 0.42 | | |
| Amiable Electronics Private Limited | Sales | 0.52 | 0.87 | 313.07 | 198.94 |
| | Purchase | 218.95 | - | | |
| RR Enterprise | Sales | 93.02 | 589.90 | - | - |
| | Purchase | 27.66 | 565.18 | | |
| Sharad Khandelwal | Managerial Remuneration | - | 6.00 | - | - |
| Vidhi Khandelwal | Managerial Remuneration | - | 6.00 | - | - |
| Amit Midha | Unsecured loan | 585.62 | - | (585.62) | - |

**For the year ended March 31, 2024** **(₹ in Million)**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Kay Kay Overseas Corporation | Purchases | 454.49 | 541.17 | - | - |
| | Sales | 0.73 | 10.36 | | |
| R2 Venture | Purchases | 40.37 | 19.11 | (2.90) | - |
| | Sales | - | - | | |
| Electronics Bazar Inc (USA) | Sales | 1,298.72 | 476.35 | (471.99) | - |
| | Purchase | 1,661.70 | 669.12 | | |
| | Foreign exchange Gain/(Loss) | 0.42 | - | | |
| Amiable Electronics Private Limited | Sales | 0.87 | - | 198.94 | - |
| | Purchase | - | - | | |
| RR Enterprise | Sales | 589.90 | 85.95 | - | - |
| | Purchase | 565.18 | 418.37 | | |
| Sharad Khandelwal | Managerial Remuneration | 6.00 | 6.00 | - | - |
| Vidhi Khandelwal | Managerial Remuneration | 6.00 | 6.00 | - | - |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**For the year ended March 31, 2023** **(₹ in Million)**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Kay Kay Overseas Corporation | Purchases | 541.17 | 260.44 | - | - |
| | Sales | 10.36 | 31.23 | | |
| R2 Venture | Purchases | 19.11 | 32.14 | - | (1.40) |
| | Sales | - | 0.31 | | |
| Electronics Bazar Inc (USA) | Sales | 476.35 | 0.28 | - | - |
| | Purchases | 669.12 | - | | |
| RR Enterprise | Sales | 85.95 | 107.40 | | |
| | Purchases | 418.37 | 287.98 | - | - |
| Sharad Khandelwal | Managerial Remuneration | 6.00 | - | - | - |
| Vidhi Khandelwal | Managerial Remuneration | 6.00 | - | - | - |

**For the year ended March 31, 2022** **(₹ in Million)**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Kay Kay Overseas Corporation | Purchases | 260.44 | 1,033.87 | - | - |
| | Sales | 31.23 | 243.79 | | |
| R2 Venture | Purchases | 32.14 | 60.71 | (1.40) | (11.58) |
| | Sales | 0.31 | 0.22 | - | |
| Electronics Bazar Inc (USA) | Purchases | - | - | - | 1.21 |
| | Sales | 0.28 | 1.02 | - | - |
| RR Enterprise | Sales | 107.40 | 175.15 | - | (33.87) |
| | Purchases | 287.98 | - | - | - |

GNG ELECTRONICS LIMITED
(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)
CIN: U72900MH2006PLC165194
Notes to the Restated Financial Statements

**Related party transaction Eliminated for Restated Consolidated Financial Statement**
**(As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations)**

**For the period ended September 30, 2024** (₹ in Million)

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Electronics Bazaar FZC | Purchases | - | - | | |
| | Sales | 874.88 | 148.79 | 196.90 | - |
| | Foreign exchange Gain/(Loss) | 4.23 | 0.45 | | |
| | Standby Letter of Credit | - | 550.00 | (770.00) | (770.00) |
| | Corporate Guarantee | 455.80 | 181.25 | (695.10) | (238.25) |
| Brightworld Technology | Sales | 199.19 | 36.82 | - | - |
| | Purchases | 3.65 | 5.84 | - | - |

**For the year ended March 31, 2024**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| | Purchases | - | - | - | - |
| Electronics Bazaar FZC | Sales | 148.79 | 1,201.11 | | |
| | Foreign exchange Gain/(Loss) | 0.45 | 29.34 | - | - |
| | Standby Letter of Credit | 550.00 | 220.00 | (770.00) | (220.00) |
| | Corporate Guarantee | 181.25 | 55.93 | (238.25) | (55.93) |
| Brightworld Technology | Sales | 36.82 | - | - | - |
| | Purchases | 5.84 | - | - | - |

**For the year ended March 31, 2023**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Electronics Bazaar FZC | Sales | 1,201.11 | 446.66 | - | (310.17) |
| | Corporate Guarantee | 55.93 | | (55.93) | |
| | Standby Letter of Credit | 220.00 | - | (220.00) | - |

**For the year ended March 31, 2022**

| Name of Entity | Nature of Transaction | Transaction During | | Outstanding balance as on | |
|---|---|---|---|---|---|
| | | Current year | Previous Year | Current year | Previous Year |
| Electronics Bazaar FZC | Sales | 446.66 | 483.71 | (310.17) | (12.59) |

**Note 39**
**Segment Information**
The Chief Operating Decision Maker ('CODM') evaluates the Group's performance and allocates resources based on an analysis of Various performance indicators by reportable segments. The Group's reportable segments is divided based on Geographical Segment which is as follows:
1.India
2 Outside India
a. United States of America
b. United Arab Emirates
c. Rest of the world

**As at September 30, 2024** **According to Geographical Locations** **(₹ in Million)**

| Particulars | Outside India | Within India | Total |
|---|---|---|---|
| **Total Income** | | | |
| Sales | 4,599.32 | 1,480.30 | 6,079.62 |
| Other income (Export incentive and Forex) | 20.55 | - | 20.55 |
| **Result** | | | |
| Segment Result | 642.27 | 404.50 | 1,046.77 |
| Unallocated Income | - | - | 29.55 |
| Unallocated Expenses | - | - | 442.63 |
| Interest | - | - | 194.32 |
| **Operating Profit** | - | - | **439.38** |
| Depreciation & Amortization | - | - | 46.05 |
| **Profit Before Tax** | - | - | **393.33** |
| Current tax Expenses | - | - | 41.21 |
| **Net Profit Available for Equity Shareholders** | | | **352.12** |
| **Other information** :- | | | |
| Segment Assets | | | |
| Trade Receivable | 1,235.18 | 566.62 | 1,801.80 |
| Unallocated Assets | - | - | 5,610.62 |
| Unallocated Liability | - | - | 7,412.42 |
| **Geographical Information** | | | |
| Total Income from India | - | - | 1,480.30 |
| Total Income from Outside India | - | - | 4,619.87 |

**As at March 31, 2024** **According to Geographical Locations** **(₹ in Million)**

| Particulars | Outside India | Within India | Total |
|---|---|---|---|
| **Total Income** | | | |
| Sales | 6,597.48 | 4,783.90 | 11,381.38 |
| Other income (Export incentive and Forex) | 26.64 | | 26.64 |
| **Result** | | | |
| Segment Result | 828.00 | 600.16 | 1,428.15 |
| Unallocated Income | - | - | 29.96 |
| Unallocated Expenses | - | - | 609.07 |
| Interest | - | - | 239.27 |
| **Operating Profit** | - | - | 609.77 |
| Depreciation & Amortization | - | - | 36.54 |
| **Profit Before Tax** | - | - | 573.23 |
| Current tax Expenses | - | - | 50.18 |
| **Net Profit Available for Equity Shareholders** | - | - | 523.05 |
| **Other information :-** | | | |
| Segment Assets | | | |
| Trade Receivable | 756.05 | 413.01 | 1,169.06 |
| Unallocated Assets | - | - | 4,689.18 |
| Unallocated Liability | - | - | 5,858.24 |
| **Geographical Information** | | | |
| Total Income from India | - | - | 4,783.90 |
| Total Income from Outside India | - | - | 6,624.12 |

**As at March 31, 2023** **According to Geographical Locations** **(₹ in Million)**

| Particulars | Outside India | Within India | Total |
|---|---|---|---|
| **Total Income** | | | |
| Sales | 3,332.50 | 3,262.92 | 6,595.42 |
| Other income (Export incentive and Forex) | 18.92 | - | 18.92 |
| **Result** | | | |
| Segment Result | 477.48 | 552.89 | 1,030.36 |
| Unallocated Income | - | - | 13.51 |
| Unallocated Expenses | - | - | 543.48 |
| Interest | - | - | 118.41 |
| **Operating Profit** | - | - | **381.99** |
| Depreciation & Amortization | - | - | 27.80 |
| **Profit Before Tax** | - | - | **354.18** |
| Current tax Expenses | - | - | 29.91 |
| **Net Profit Available for Equity Shareholders** | | | **324.27** |
| **Other information** :- | | | |
| Segment Assets | | | |
| Trade Receivable | 468.73 | 442.71 | 911.44 |
| Unallocated Assets | - | - | 1,943.58 |
| Unallocated Liability | - | - | 2,855.02 |
| **Geographical Information** | | | |
| Total Income from India | - | - | 3,262.92 |
| Total Income from Outside India | - | - | 3,351.43 |

**As at March 31, 2022** **According to Geographical Locations** **(₹ in Million)**

| Particulars | Outside India | Within India | Total |
|---|---|---|---|
| **Total Income** | | | |
| Sales | 2,092.37 | 3,112.58 | 5,204.95 |
| Other income (Export incentive and Forex) | 2.41 | | 2.41 |
| **Result** | | | |
| Segment Result | 354.91 | 264.01 | 618.92 |
| Unallocated Income | - | - | 11.83 |
| Unallocated Expenses | - | - | 284.04 |
| Interest | - | - | 82.21 |
| **Operating Profit** | - | - | **264.49** |
| Depreciation & Amortization | - | - | 22.05 |
| **Profit Before Tax** | - | - | **242.45** |
| Current tax Expenses | - | - | 24.74 |
| **Net Profit Available for Equity Shareholders** | - | - | **217.71** |
| **Other information** :- | | | |
| Segment Assets | | | |
| Trade Receivable | 158.87 | 262.97 | 421.83 |
| Unallocated Assets | - | - | 1,525.26 |
| Unallocated Liability | - | - | 1,947.09 |
| **Geographical Information** | | | |
| Total Income from India | - | - | 3,112.58 |
| Total Income from Outside India | - | - | 2,094.79 |

**The Group having Sales from a customers more than 10% of total sales are as under** **(₹ in Million)**

| Customers | For the period ended September 30, 2024 | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| 1 | 1,092.41 | 1,966.22 | - | - |
| 2 | - | 1,298.72 | - | - |

**Note 40 Corporate Social Responsibility(CSR)** **(₹ in Million)**

| Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:- | As at September 30, 2024 | As at March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|---|
| (a) amount required to be spent by the company during the year, | 2.5 | 1.63 | 0.93 | NA |
| (b) amount of expenditure incurred, | - | 1.63 | 0.93 | NA |
| (c) shortfall at the end of the year, | - | - | - | NA |
| (d) total of previous years shortfall, | - | - | - | NA |
| (e) reason for shortfall, | - | | | NA |
| (f) nature of CSR activities, Education to under Privileged children and P0verty | - | children | children | NA |
| (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, | NA | NA | NA | NA |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | NA<br>NA<br>NA | NA<br>NA<br>NA | NA<br>NA<br>NA | NA<br>NA<br>NA |

The Company has not incurred CSR Expenses till the current Interim Period April'24 to September'2024

**Note 41 Employee benefits**

**1. Defined contribution plans**

The Company has recognized the following amounts in the Statement of Profit and Loss towards contribution to defined contribution plans which are included under contribution to provident and other funds in note 21:

(₹ in Million)

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| Provident and other funds | 1.75 | 5.06 | 1.05 | 0.63 |
| **Total** | **1.75** | **5.06** | **1.05** | **0.63** |

**2. Defined Benefit Plans**

**Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company's Gratuity plan is funded.

The disclosure in respect of the defined Gratuity Plan are given below:

**Amount recognized in the balance sheet is as under:**

**Particulars** (₹ in Million)

| Gratuity | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| Current | 1.52 | 2.15 | 5.08 | 0.34 |
| Non-current | 6.72 | 4.07 | 1.62 | 4.03 |
| **Total** | **8.24** | **6.23** | **6.70** | **4.37** |

**A. Balance Sheet**

(₹ in Million)

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| Present value of plan liabilities | 16.36 | 12.59 | 7.77 | 4.37 |
| Fair value of plan assets | 8.12 | 6.36 | 1.07 | - |
| **Asset/(Liability) recognized** | **(8.24)** | **(6.23)** | **(6.70)** | **(4.37)** |

**B. Movements in Defined Benefit Obligation**

(₹ in Million)

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| Opening liabilities | 12.59 | 7.77 | 4.37 | 3.86 |
| Current service cost | 3.06 | 4.51 | 2.77 | 1.36 |
| Interest Cost | 0.40 | 0.52 | 0.26 | 0.22 |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 0.42 | (0.03) | (0.45) | (0.12) |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | (0.14) | (0.23) | 0.74 | (0.96) |
| FCTR | 0.03 | 0.05 | 0.09 | 0.02 |
| **Closing liabilities** | **16.36** | **12.59** | **7.77** | **4.37** |

**C. Statement of Profit and Loss** (₹ in Million)

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| **Employee Benefit Expenses:** | | | | |
| Current service cost | 3.06 | 4.51 | 2.77 | 1.36 |
| Interest Cost | 0.17 | 0.44 | 0.26 | 0.22 |
| **Net impact on profit (before tax)** | 3.23 | 4.95 | 3.03 | 1.58 |
| **Amount recognised in Statement of Profit and Loss*** | **3.23** | **4.95** | **3.03** | **1.58** |

(₹ in Million)

| Breakup of actuarial (gain)/loss: | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| **Description** | | | | |
| Actuarial (gain)/loss from change in financial assumption | 0.42 | (0.03) | (0.45) | (0.12) |
| Actuarial (gain)/loss from experience adjustment | (0.14) | (0.23) | 0.74 | (0.96) |
| **Total actuarial (gain)/loss** | **0.28** | **(0.26)** | **0.29** | **(1.09)** |

**D. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| **Financial Assumptions** | | | | |
| Discount rate | 7.20% | 6.09% | 6.15% | 4.81% |
| Salary Escalation Rate | 5.90% | 7.40% | 6.60% | 7.50% |
| Employee Turnover Rate | 12.50% | 12.50% | 12.50% | 12.50% |

**Demographic Assumptions**

Mortality in Service : 100% of Indian Assured Lives Mortality (2012-14)

**(₹ in Million)**

| E Balance Sheet Reconciliation | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| **Opening Net Liability** | **6.23** | **6.70** | **4.37** | **3.86** |
| Expenses Recognized in Statement of Profit or Loss | 3.23 | 4.95 | 3.03 | 1.58 |
| Expenses Recognized in OCI | 0.51 | (0.42) | 0.27 | (1.09) |
| FCTR | 0.03 | 0.05 | 0.09 | 0.02 |
| (Employer's Contribution) | (1.75) | (5.06) | (1.05) | - |
| **Balance at the end** | **8.24** | **6.23** | **6.70** | **4.37** |

**F. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are: **(₹ in Million)**

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| **Impact on defined benefit obligation** | | | | |
| Delta Effect of +1% Change in Rate of Discounting | (0.80) | (0.63) | (0.42) | (0.26) |
| Delta Effect of -1% Change in Rate of Discounting | 0.89 | 0.70 | 0.47 | 0.29 |
| Delta Effect of +1% Change in Rate of Salary Increase | 0.81 | 0.63 | 0.43 | 0.26 |
| Delta Effect of -1% Change in Rate of Salary Increase | (0.75) | (0.59) | (0.39) | (0.19) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.13) | (0.11) | (0.10) | (0.09) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.15 | 0.12 | 0.11 | 0.10 |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the

**G. The defined benefit obligations shall mature as follows:** **(₹ in Million)**

| Particulars | For Year ended September 30, 2024 | For Year ended March 31, 2024 | For Year ended March 31, 2023 | For Year ended March 31, 2022 |
|---|---|---|---|---|
| 1st Following Year | - | 1.28 | 0.68 | 0.34 |
| 2nd Following Year | - | 1.28 | 0.83 | 0.35 |
| 3rd Following Year | - | 1.25 | 0.79 | 0.39 |
| 4th Following Year | - | 1.24 | 0.77 | 0.54 |
| 5th Following Year | - | 1.26 | 0.81 | 0.45 |
| Sum of Years 6 To 10 | - | 5.35 | 3.40 | 1.86 |
| Sum of Years 11 and above | - | 9.35 | 6.01 | 3.20 |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 42 Fair value measurement**
**Financial instruments classified by categories**

**(₹ in Million)**

| Particulars | As at September 30, 2024 | | | March 31, 2024 | | | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI |
| **Financial assets** | | | | | | | | | | | | |
| Investments | | 73.65 | - | - | 70.12 | - | - | - | - | - | - | - |
| Cash and cash equivalents | 42.20 | - | - | 49.92 | - | - | 20.60 | - | - | 8.76 | - | - |
| Bank balances other than cash and cash equivalents | 820.92 | - | - | 629.13 | - | - | 253.70 | - | - | 202.72 | | |
| Trade receivables | 1,801.80 | - | - | 1,169.06 | - | - | 911.44 | - | - | 421.83 | - | - |
| Other financial assets | 449.88 | - | - | 296.57 | - | - | 99.61 | - | - | 83.00 | - | - |
| **Total financial assets** | **3,114.80** | **73.65** | | **2,144.68** | **70.12** | **-** | **1,285.34** | **-** | **-** | **716.32** | **-** | **-** |
| | | | | | | | | | | | | |
| **Financial liabilities** | | | | | | | | | | | | |
| Borrowings | 4,867.68 | - | - | 3,178.10 | - | - | 1,137.55 | - | - | 730.83 | | |
| Lease Liabilities | 81.43 | - | - | 94.28 | - | - | 83.64 | - | - | 18.89 | - | - |
| Trade payables | 301.30 | - | - | 841.16 | - | - | 104.05 | - | - | 113.72 | - | - |
| Other financial liabilities | 165.16 | - | - | 99.94 | - | - | 411.52 | - | - | 14.29 | - | - |
| **Total financial liabilities** | **5,415.58** | **-** | **-** | **4,213.49** | **-** | **-** | **1,736.75** | **-** | **-** | **877.73** | **-** | **-** |

**Fair value hierarchy :**
The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:
Financial assets and financial liabilities measured at fair value in the balance sheet are divided into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the

**Level 1** - Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates.

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is include in level 3.

**Financial assets and liabilities measured at fair value – recurring fair value measurements:**

**(₹ in Million)**

| As at Sept 30, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Investments measured at fair value through profit and loss** | | | | |
| Investment in mutual funds- quoted | 73.65 | - | - | 73.65 |

| As at March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Investments measured at fair value through profit and loss** | | | | |
| Investment in mutual funds- quoted | 70.12 | - | - | 70.12 |

| As at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Investments measured at fair value through profit and loss** | | | | |
| Investment in mutual funds- quoted | - | - | - | - |

| As at April 01, 2022 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Investments measured at fair value through profit and loss** | - | - | - | - |
| Investment in mutual funds- quoted | | | | |

**Valuation process and technique used to determine fair value**

(i)The fair value of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at each reported date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(ii) Investment in Equity shares of subsidiaries are measured at cost

**Fair value of financial assets and liabilities measured at amortised cost:**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other current financials assets and liabilities are considered to be the same as their fair values, due to their short-term nature. For non-current financial assets and lease liabilities, carrying amount is a reasonable approximation of fair value.

**Note 43 Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from |
|---|---|
| Credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables and other financial assets measured at amortised cost. |
| Liquidity risk | Borrowings, lease liabilities, trade payables and other financial liabilities |
| Market risk – price | Investment in mutual funds |
| Market risk – foreign exchange | Receivables and payables denominated in foreign currency |

**i) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables to customers, deposits, etc. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- bank balances other than cash and cash equivalents
- trade receivables, and
- Other financial assets

Credit risk on cash and cash equivalents and bank deposits and other financial assets is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Other financial assets measured at amortised cost includes security deposits and trade receivables. Credit risk related to trade receivable and other financial assets is managed by monitoring the recoverability of such amounts continuously and monitoring the credit worthiness of the counterparties.

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company's manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

**(₹ in Million)**

| September 30, 2024 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 4,086.20 | 781.49 | - | 4,867.68 |
| Lease liabilities | 26.92 | 54.51 | - | 81.43 |
| Trade payables | 301.30 | - | - | 301.30 |
| Other financial liabilities | 158.44 | - | - | 158.44 |
| Non current other financial liabilities | - | 6.72 | | 6.72 |
| **Total** | **4,572.87** | **842.71** | **-** | **5,415.58** |

**(₹ in Million)**

| March 31, 2024 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 3,096.33 | 81.77 | - | 3,178.10 |
| Lease liabilities | 26.36 | 67.92 | - | 94.28 |
| Trade payables | 841.16 | - | - | 841.16 |
| Other financial liabilities | 95.87 | - | - | 95.87 |
| Non current other financial liabilities | - | 4.07 | | 4.07 |
| **Total** | **4,059.71** | **153.77** | **-** | **4,213.49** |

(₹ in Million)

| March 31, 2023 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 1,006.24 | 131.31 | - | 1,137.55 |
| Lease liabilities | 18.43 | 65.21 | - | 83.64 |
| Trade payables | 104.05 | - | - | 104.05 |
| Other financial liabilities | 409.90 | 1.62 | - | 411.52 |
| **Total** | **1,538.61** | **198.14** | **-** | **1,736.75** |

* Maturities includes interest on borrowings.

(₹ in Million)

| March 31, 2022 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 571.97 | 158.86 | - | 730.83 |
| Lease liabilities | 11.95 | 6.94 | - | 18.89 |
| Trade payables | 113.72 | - | - | 113.72 |
| Other financial liabilities | 10.26 | 4.03 | - | 14.29 |
| **Total** | **707.90** | **169.82** | **-** | **877.73** |

**iii) Market risk - Price risk**

The Company’s exposure to price risk arises from investments held and classified in the financials statements at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

**Sensitivity Analysis**

The table below summarises the impact of increase/decrease of the index on the Company's profit for the year :

(₹ in Million)

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Net assets value – increase by 100 bps | 0.74 | 0.70 | - | - |
| Net assets value – decrease by 100 bps | (0.74) | (0.70) | - | - |

**Market risk - Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its services from its group companies in foreign currencies.

**Note No: 44 Contingent Liabilities**

(₹ in Million)

| Particulars | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 | As at April 01, 2021 |
|---|---|---|---|---|---|
| Contingent Liabilities | | | | | |
| Income tax(CIT Appeals) | 0.57 | 0.57 | - | - | - |
| GST (ACST Appeals) | 108.47 | 26.99 | - | - | - |

GNG ELECTRONICS LIMITED
(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)
CIN: U72900MH2006PLC165194
Notes to the Restated Financial Statements

**Note 45 (a)**

**45 (a) (1) First Time Ind As Adoption Reconciliation**

For the purpose of Special Purpose Ind AS Financial Statement for the period ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31,2022, the Group has adopted Ind AS with effect from March 31 2022 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2021. The figures for the previous periods have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.
Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS

**(i) Classification and measurement of financial assets**

The Group has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.

**(ii) Deemed cost of property, plant and equipment and intangible assets**

The Group has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

**(iii) Right to use Asset**

The Company has elected to consider the ROU as adopted and created by the Company as per the prevaling law of the country of incorporation, hence the Lease Liablity on the same is created at the same rate of discounting as adopted in the audited Financials of Subsidiary.

**(iv) Fair value measurement of financial assets and financial liabilities at initial recognition**

The Group has applied the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. This exemption has been availed by the Group.

**(v) Business Combinations**

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**(vi) Cumulative translation differences on foreign operations**

The Group has elected the option to reset the cumulative translation differences on foreign operations that exists as of the transition date to zero. (vi) Investments in Subsidiaries

**(vii) Investments in Subsidiaries**

The Group has elected to measure Investment in Subsidiaries at cost.

**45 (a)(2) Reconciliation of Total Equity** (₹ in Million)

| Particulars | Note | As at Sep 30, 2024 | As at Mar 31, 2024 | As at Mar 31, 2023 | As at Mar 31, 2022 |
|---|---|---|---|---|---|
| **Total equity under previous GAAP** | | 492.36 | 492.36 | 492.36 | 492.30 |
| **Add / (Less) : Adjustments for GAAP Differences** | | | | | |
| Allowance for expected credit loss on Trade receivable | | - | - | - | - |
| Accounting for Leases as per IND AS 116 | | - | - | - | - |
| Measurement of Financial liabilities at Amortised cost | | | | | |
| Measurement of Financial assets at Amortised cost | | - | - | - | - |
| Reclassification on Preference share capital | | - | - | - | - |
| Deferred Tax adjustments on tha above (net) | | - | - | - | - |
| *Includes IND AS adjustments in subsidiaries restated in prior Periods Pursuant to Common Control business combination | | | | | |
| Impact of errors/Prior period errors | | | | | |
| Fair Valuation as Deemed Cost for Property, Plant and Equipment Impact on Revenue on account of Ind AS 115 | | - | - | - | - |
| Provision for Warranty | | - | - | - | - |
| Effect of Measuring Investments at FVTPL | | - | - | - | - |
| Recognition of Grautity Liability as Per Actuarial Valuation | | - | - | - | - |
| Recognition of Leave Encashment as Per Actuarial Valuation | | - | - | - | - |
| Tax impact on Ind AS adjustments (including on unrealised intra group profits in Inventories | | - | - | - | - |
| Lease Accounting as per Ind AS 116 | | - | - | - | - |
| Other Ind AS adjustments | | - | - | - | - |
| **Equity as per Ind AS** | | **492.36** | **492.36** | **492.36** | **492.31** |

**(₹ in Million)**

| **45 (a)(3) Reconciliation of Total Comprehensive income** | **Note** | **As at Sep 30, 2024** | **As at Mar 31, 2024** | **As at Mar 31, 2023** | **As at Mar 31, 2022** |
|---|---|---|---|---|---|
| **Profit for the year as per previous GAAP** | | 338.26 | 513.89 | 355.24 | 219.24 |
| **Add / (Less) : Adjustments for GAAP Differences** | | | | | |
| Allowance for expected credit loss on Trade receivable | | - | - | - | - |
| Measurement of Financial liabilities at Amortised cost | | - | - | - | - |
| Measurement of Financial assets at amortised cost | | - | - | - | - |
| Reclassification on Preference dividend | | - | - | - | - |
| Impact of errors/Prior period errors | | - | - | - | - |
| *Includes IND AS adjustments in subsidiaries restated in prior Periods Pursuant to Common Control business combination | | | | | |
| Effect of Measuring Investments at FVTPL | a | 3.53 | 2.62 | - | - |
| Recognition of Grautity Liability as Per Actuarial Valuation | b | 2.82 | 3.11 | 1.86 | (1.58) |
| Deferred tax adjustments on the above | c | 1.11 | 0.88 | (0.41) | 0.43 |
| Accounting for Leases as per IND AS 116 | d | 6.41 | 2.55 | (32.41) | (0.39) |
| Other Ind AS adjustments | | (6.38) | (5.51) | (0.96) | (2.98) |
| Total adjustment to P&L | | 7.49 | 3.65 | (31.92) | (4.52) |
| **Total Comprehensive income under INDAS** | | **345.75** | **517.54** | **323.32** | **214.72** |

**Notes on Reconciliation between Previous Gaap and IND AS**

a) **Investment other than Investment in Subsidiaries**
Under previous GAAP, Investments were valued Cost. Under Ind AS the investment in Equity Shares & Mutual Funds are classified as financial asset measured at fair value through profit & loss. Accordingly, the impact of difference in carrying amount as per previous GAAP and fair value as on reporting date has been taken in the respective periods

**b)Actuarial gains and losses**
The impact is on account of measurement of employee benefits obligations as per Ind AS 19. Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset, are recognised in the Other Comprehensive Income (OCI) under Ind AS instead of profit or loss.

**c) Deferred Tax**
The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

**d) Leases accounting under Ind AS 116**
Under previous GAAP, Lease was accountted either finance lease or operating whereas under Ind AS lease liability and ROU asset are recognised and there is no such bifurcation.

**45 (b)** There is no change in accounting policy followed by the Company from its IGAAP/IFRS audited accounts of the Indian Company and its Foreign Subsidiary other than in accordance with Ind-AS 101 ‘First-time Adoption of Indian Accounting Standards’ (Ind AS 101) in preparing its opening Restated Consolidated Financial Information which is given in Note 45 (a)

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 46 Ratio Analysis and its elements**

**(₹ in Million)**

| Particulars | As at Sep 30, 2024 | As at Mar 31, 2024 | As at Mar 31, 2023 | As at Mar 31, 2022 |
|---|---|---|---|---|
| **i) Current Ratio =Current asset divided by Current Liabilities** | | | | |
| Current Asset | 7,000.16 | 5,367.10 | 2,646.59 | 1,843.72 |
| Current Liabilities | 4,576.21 | 4,059.71 | 1,538.61 | 982.38 |
| **Current Ratio** | **1.53** | **1.32** | **1.72** | **1.88** |
| **(%) of change from previous year** | **16%** | **-23%** | **-8%** | **40%** |
| | | | | |
| **ii) Debt+Equity ratio = Total Debts Divided by Shareholders equity** | | | | |
| Total Debts | 4,867.68 | 3,178.10 | 1,137.55 | 730.83 |
| Share holder's Equity | 1,976.06 | 1,631.41 | 1,115.95 | 793.57 |
| **Debt Equity Ratio** | **2.46** | **1.95** | **1.02** | **0.92** |
| **(%) of change from previous year** | **26%** | **91%** | **11%** | **-44%** |
| | | | | |
| **iii) Debt Service Coverage Ratio (DSCR) = Earnings available for debt Services divided by total interest and Principal repayments** | | | | |
| Earnings available for Debt service | 592.49 | 849.04 | 500.40 | 346.71 |
| Total interest and Principal repayments | 5,062.00 | 3,417.37 | 1,255.96 | 813.04 |
| **Debt Service Coverage Ratio** | **0.12** | **0.25** | **0.40** | **0.43** |
| **(%) of change from previous year** | **-53%** | **-38%** | **-7%** | **150%** |
| | | | | |
| **iv) Return on Equity = Profit after tax divided by Shareholders fund** | | | | |
| Profit for the year | 352.12 | 523.05 | 324.28 | 217.70 |
| Average Shareholders Equity | 1803.74 | 1373.68 | 954.76 | 648.40 |
| **Return on Equity** | **19.52%** | **38.08%** | **33.96%** | **33.58%** |
| **(%) of change from previous year** | **-48.73%** | **12.11%** | **1.16%** | **102.73%** |
| | | | | |
| **v) Inventory Turnover Ratio = Cost of goods sold divided by Average inventory** | | | | |
| Cost of Goods sold | 5,053.40 | 9,979.86 | 5,583.97 | 4,588.44 |
| Average inventory | 3,477.16 | 2,246.29 | 1,238.67 | 1,032.28 |
| **Inventory Turnover Ratio** | **1.45** | **4.44** | **4.51** | **4.44** |
| **(%) of change from previous year** | **-67.29%** | **-1.45%** | **1.42%** | |
| | | | | |
| **vi) Trade Receivable Turnover Ratio = Revenue from Operations divided by average trade receivables** | | | | |
| Revenue from Operation | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Average trade receivable | 1,485.43 | 1,040.25 | 666.64 | 408.93 |
| **Trade Receivable Turnover Ratio** | 4.09 | 10.94 | 9.89 | 12.73 |
| **(%) of change from previous year** | **-62.59%** | **10.59%** | **-22.27%** | |
| | | | | |
| **vii) Trade Payable Turnover Ratio = Revenue from Operations divided by average trade receivables** | | | | |
| Revenue from Operation | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Average trade Payable | 571.23 | 472.61 | 108.89 | 238.19 |
| **Trade Payable Turnover Ratio** | 10.64 | 24.08 | 60.57 | 21.85 |
| **(%) of change from previous year** | **-55.81%** | **-60.24%** | **177.19%** | |
| | | | | |
| **viii) Net Capital Turnover Ratio = Revenue from Operation Divided by Working capital** | | | | |
| Revenue from Operation | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Working Capital | 2,423.95 | 1,307.39 | 1,107.98 | 861.34 |
| **Net Capital Turnover Ratio** | 2.51 | 8.71 | 5.95 | 6.04 |
| **(%) of change from previous year** | **-71.19%** | **46.24%** | **-1.49%** | |
| | | | | |
| **IX) Net Profit Ratio = Net Profit after Tax Divided by Revenue from Operation** | | | | |
| Net profit after Tax | 352.12 | 523.05 | 324.28 | 217.70 |
| Revenue from Operation | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| **Net Profit Ratio** | **5.79%** | **4.60%** | **4.92%** | **4.18%** |
| **(%) of change from previous year** | **26.03%** | **-6.53%** | **17.55%** | |
| | | | | |
| **x) Return on Capital Employed = Earnings before interest and tax divided by Capital Employed** | | | | |
| Earning before Interest and Tax | 633.69 | 849.04 | 500.40 | 346.71 |
| Capital Employed | 5,826.63 | 3,531.50 | 1,888.95 | 1,172.59 |
| Return on Capital Employed | **10.88%** | **24.04%** | **26.49%** | **29.57%** |
| **(%) of change from previous year** | **-54.76%** | **-9.25%** | **-10.41%** | |

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 47 Events after reporting date**

**47.1 Conversion of Company from Private Limited to Public Limited**
Pursuant to resolution passed by the Members in the Extraordinary General Meeting dated 23rd October 2024 and as approved by Registrar of the Company w.e.f. 20th November 2024 the Company has been converted from Private Limited Company into a Public Limited Company including adoption of new Memorandum of Association and new Articles of Association as applicable to Public Company in place of existing Memorandum of Association and Articles of Association of the Company.

**47.2 Increase in Authorised Share Capital and Sub-division of equity shares**
Pursuant to the resolution passed by the Board of Directors in meeting dated November 22, 2024 to Section 13, Section 61, Section 64 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, each as amended and in accordance with the enabling provisions of Memorandum of Association and the Articles of Association, the authorized share capital of the Company as set out below:
The existing authorised share capital of the Company is ₹ 20 million consisting of 20,00,000 (Twenty Lakhs only) equity shares of face value ₹ 10/- (Rupees Ten only) each. The revised authorised share capital of the Company is ₹ 250 million consisting of 2,50,00,000 (Two Crores and Fifty Lakhs only) Equity Shares of face value ₹ 10/- (Rupees Ten only) each.

The Shareholders in their extra-ordinary general meeting dated December 03, 2024 approved sub-division of each fully paid-up equity share of nominal value of ₹ 10 (Rupees ten Only), into five equity shares having a face value of ₹2/- (Rupees Two only) each. As a result of the same, the issued share capital has changed from 38,776 Equity Shares of Rs.10/- each to 193,880 Equity Shares of Rs.2/- each. The Authorised Share Capital of the Company is changed to Rs. 250 million divided into 12,50,00,000 Equity Shares of Rs.2 each.

**47.3 Issue of Bonus shares**
Subsequent to the year end, as per recommendation of the Board of Directors in their meeting held on December 04, 2024 and approval of the shareholders dated December 05, 2024 the Company has issued 96,940,000 bonus equity shares of face value of Rs. 2/- each in ratio of 500:1 (i.e. 500 Bonus Shares for every 1 Equity Share), which were allotted to the shareholders on December 05, 2024. Consequently, the issued, subscribed and paid-up share capital has increased to Rs. 194. 27Millions comprising of 9,71,33,880 equity shares of face value of Rs. 2/- each. These shares are retrospectively considered for the computation of basic and diluted EPS.

**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**
**CIN: U72900MH2006PLC165194**
**Notes to the Restated Financial Statements**

**Note 48 Additional Information in respect of the entities included in the Restated Consolidated Financial information**
Pursuant to first provision of sub-section (3) of Section 129 of Companies Act,2013 with the Rule 5 of Companies (Accounts)Rules,2014
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint venture

**As at September 30, 2024**

**Part "A" SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Electronics Bazaar FZC | Financial Year 2019 -20 | UAE | 147.00 | 1,126.63 | 3,313.54 | 3,313.54 | 3,610.60 | 271.39 | 99.60% |

**Part "B" STEP DOWN SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Bright World Technology Inc (Incorporated in USA) | 14th November'2022 | USA | - | 3.23 | 111.36 | 111.36 | 191.55 | 2.31 | 100% |
| 2 | Sun Electronics Corporation (Incorporated in USA) | 09th July'2024 | | - | - | - | - | - | - | 100% |
| 3 | Kay Kay Overseas Corporation (Incorporated in USA) | 09th July'2024 | | - | - | - | - | - | - | 100% |
| 4 | Electronics Bazaar B.V.* (Incorporated in Netherlands) | 05th August'2024 | | - | - | - | - | - | - | 100% |
| 5 | Electronics Bazar Inc (Incorporated in Canada) | 14th May'2024 | | - | - | - | - | - | - | 100% |

**As at March 31, 2024**

**Part "A" SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Electronics Bazaar FZC | Financial Year 2019 -20 | UAE | 147.00 | 855.23 | 1,002.23 | 1,002.23 | 5,574.12 | 409.33 | 99.60% |

**Part "B" STEP DOWN SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Bright World Technology Inc (Incorporated in USA) | 14th November'2022 | USA | - | 0.92 | 38.00 | 38.00 | 75.70 | 0.92 | 100% |

**As at March 31, 2023**

**Part "A" SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Electronics Bazaar FZC | Financial Year 2019 -20 | UAE | 147.00 | 197.79 | 1,034.37 | 1,034.37 | 3,316.82 | 248.11 | 99.60% |

**Part "B" STEP DOWN SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Bright World Technology Inc (Incorporated in USA) | 14th November'2022 | USA | - | - | - | - | - | - | 100% |

**As at March 31, 2022**
**Part "A" SUBSIDIARY**

| Sr. No. | Name of the Subsidiary Company | Date of Investment in Subsidiary | Country of Incorporation | Capital | Reserve | Total Assets | Total Liabilities | Turnover | Profit/(Loss) | (%) of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Electronics Bazaar FZC | Financial Year 2019 -20 | AED | 147.00 | 197.79 | 704.36 | 704.36 | 2,082.80 | 136.06 | 99.60% |

**Note 49 Other Statutory Information**

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
ii) The Company does not have any transactions with companies struck off.
iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding that the Intermediary shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
vii) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

**For Shankarlal Jain & Associates LLP**
**Chartered Accountants**
**Firm Regn No.: 109901W/W100082**

**SATISH JAIN**
**Partner**
**Membership No : 48874**
**Place : Mumbai**
**Date : December 13, 2024**

**For and on Behalf of board of Directors of**
**GNG ELECTRONICS LIMITED**
**(Formerly known as GNG ELECTRONICS PRIVATE LIMITED)**

**Sharad Khandelwal**
Managing Director
DIN: 03282602
Place :Mumbai
Date:December 13, 2024

**Vidhi Khandelwal**
Director
DIN: 03285189
Place :Mumbai
Date: December 13, 2024

**Raakesh Jhunjhunwala**
Chief Financial Officer

Place :Mumbai
Date:December 13, 2024

**Sarita Vishwakarma**
Company Secretary
M.No A59547
Place :Mumbai
Date: December 13, 2024

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under required under of the SEBI ICDR Regulations are set forth below:

| Particulars | As at and for the Fiscal / period ended | | | |
|---|---|---|---|---|
| | Six months period ended September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Basic earnings per share (in ₹)(1) (3) | 3.61# | 5.37 | 3.33 | 2.24 |
| Diluted earnings per share (in ₹)(2) (3) | 3.61# | 5.37 | 3.33 | 2.24 |
| Return on Net Worth (in %)(4) | 17.76%# | 31.96% | 28.97% | 27.36% |
| Net asset value per Equity Share (in ₹)(5)* | 20.34 | 16.80 | 11.49 | 8.17 |
| PAT (in ₹ million) | 352.12 | 523.05 | 324.28 | 217.70 |
| EBITDA (in ₹ million)(6) | 633.69 | 849.04 | 500.40 | 346.71 |

* *Adjusted for Split of Equity Shares and Bonus Issue.*
\# *Not annualised.*
*Notes:*
1. *Earnings per Equity Share (Basic) = Restated profit for the period/year attributable to the equity holders of our Company/Weighted average number of equity shares outstanding during the period/year.*
2. *Earnings per Equity Share (Diluted) = Restated profit for the period/year attributable to equity holders of our Company/Weighted average number of equity shares outstanding during the period/year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued to satisfy the exercise of the share options by the employees.*
3. *Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.*
4. *Return on Net Worth is calculated as Restated profit for the period / year attributable to Equity holders of the parent divided by Equity attributable to owners of the Company *100.*
5. *Net Asset Value per equity share is calculated as restated net worth for the year/ period attributable to owners of the Company / weighted average number of equity shares for the year/ period.*
6. *EBITDA is calculated as Profit / (loss) after tax + tax expense + finance cost + depreciation and amortization expense + Exceptional Item – other income.*

### *Other financial information*

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as of and for Fiscal 2024, Fiscal 2023 and Fiscal 2022 along with the respective audit reports are available on our website at https://www.electronicsbazaar.com/investor and the audited standalone financial statements of our Material Subsidiary, as of and for Fiscal 2024, Fiscal 2023 and Fiscal 2022 along with the respective audit reports are available on our website at https://www.electronicsbazaar.com/investor (collectively, the "**Standalone Financial Statements**"). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations.

The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider in order to subscribe for or purchase any securities of our Company, Subsidiaries or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any of the BRLMs, 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 standalone financial statements, or the opinions expressed therein.

## RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under applicable accounting standards, i.e., Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, of our Company, for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 and as reported in Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information –Note* 38 *Related party disclosure in respect of Ind AS 24*" on page 273.

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

*You should read the following discussion in conjunction with the Restated Consolidated Financial Information. The Restated Consolidated Financial Information has been prepared by our management as required under the SEBI ICDR Regulations read with the ICAI Guidance Note. For more information, 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 investor's assessments of our financial condition" on page 52.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" on page 16.*

*Unless otherwise indicated or the context otherwise requires, the financial information for the six months period ended September 30, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For details, please see "Restated Consolidated Financial Information" on page 229. The Restated Consolidated Financial Information is based on our audited financial statements and is restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations. Our financial year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.*

*Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. Such non-GAAP financial measures should be read together with the nearest GAAP measure. See "Risk Factors – We have included certain Non-GAAP Measures, industry metrics and key performance indicators related to our operations and financial performance in this Draft Red Herring Prospectus that are subject to inherent measurement challenges. These Non-GAAP Measures, industry metrics and key performance indicators may not be comparable with financial, or industry-related statistical information of similar nomenclature computed and presented by other companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool for investors and there can be no assurance that there will not be any issues or such tools will be accurate going forward."*

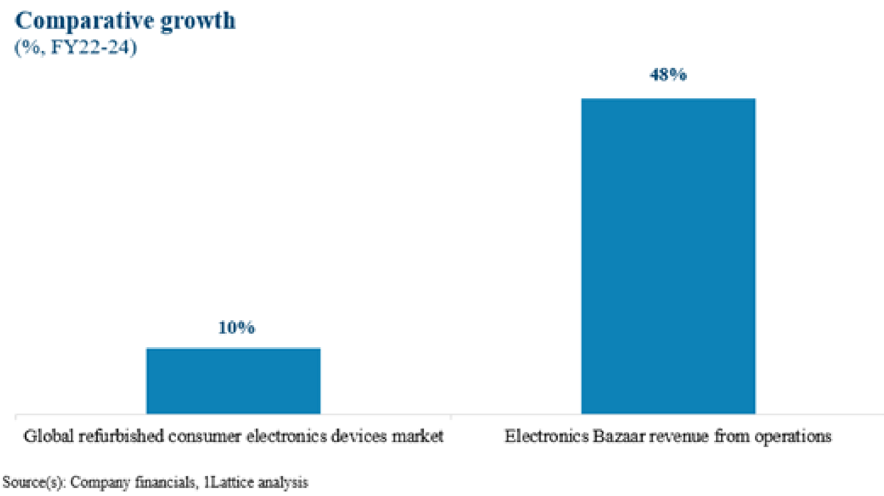
*The industry-related information contained in this section is derived from the industry report titled 'Electronics Refurbishment Industry Report' dated December 12, 2024 prepared by Lattice Technologies Private Limited (the "**1Lattice Report**"). We have exclusively commissioned and paid for the 1Lattice Report for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged Lattice Technologies Private Limited in connection with the preparation of the 1Lattice Report pursuant to an engagement letter dated September 11, 2024. 1Lattice Report is not, and has not in the past, been engaged or interested in the formation, or promotion, or management, of our Company. Further, it is an independent agency and neither our Company, nor our Directors, Promoters, KMPs, SMPs, and Subsidiaries, nor the BRLMs are a related party to 1Lattice Report as per the definition of "related party" under the Companies Act, 2013. A copy of the 1Lattice Report shall be available on the website of our Company at https://www.electronicsbazaar.com/investor from the date of this Draft Red Herring Prospectus until the Bid/Offer Closing Date. Unless otherwise indicated, the industry-related information contained in this section is derived from the 1Lattice Report (extracts of which have been appropriately incorporated as part of "Industry Overview" on page 112).*

**Overview**

We are India's largest refurbisher of laptops and desktops and among the largest refurbishers of ICT Devices overall, both globally and in India with significant presence across India, USA, Europe, Africa and UAE, in terms of value, as of March 31, 2024 (*Source: 1Lattice Report*). We follow a repair-over-replacement approach, which provides cost advantages and helps achieve true sustainability by reducing carbon footprint.

We are India's largest Microsoft Authorised Refurbisher, in terms of refurbishing capability, as of Fiscal 2024 (*Source: 1Lattice Report*). We are also the IT asset disposal partner for India's second – largest software company, in terms of market capitalisation as of Calendar Year 2024, procuring their used IT assets (*Source: 1Lattice Report*).

The global refurbished personal computer market grew from US$ 9.7 billion in CY18 to US$ 14.4 billion in CY23, reflecting an 8% CAGR, and is projected to reach US$ 38.3 billion by CY28, at 22%. Similarly, the Indian refurbished PC market grew from US$ 0.2 billion in FY19 to US$ 0.8 billion in FY24, showing a 27% CAGR, and is expected to reach US$ 3.3 billion by FY29, at a CAGR of 33%. A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. In India, the organized market share grew from approximately 5% in FY19 to 11% in FY24, with a robust CAGR of 33%. This share is projected to further expand to 32% by FY29, at an impressive CAGR of 42%. Set below is a chart the comparative growth of our Company and global refurbished customers electronics device market (*Source: 1Lattice Report*).




(*Source: 1Lattice Report*)

We operate under the brand "*Electronics Bazaar*", with presence across the full refurbishment value chain *i.e.*, from sourcing to refurbishment to sales, to after – sale services and providing warranty. We solve customers' requirement of affordable, reliable and premium ICT Devices which are as good as new devices, both functionally and aesthetically, and are backed by proven warranty. We also provide tailor – made solutions for our customers. Our comprehensive process of refurbishment of ICT Devices such as laptops, desktops, tablets, servers, premium smartphones, mobile workstations and accessories ensures that such devices are similar to new in terms of both performance and aesthetics, and able to offer laptops at one-third price of new devices and other devices like desktops, tablets, servers, premium smart phones, mobile workstations and accessories at 35-50% price of new devices (*Source: 1Lattice Report*). We are one of the few companies which pioneered the concept of warranty for the refurbished ICT Devices to provide comfort and trust to our customers and are still offering industry leading warranty terms (*Source: 1Lattice Report*). The ICT Devices refurbished by us sell at a premium to other player in the industry due to superior quality of products and our ability to provide proven and reliable warranty solutions (*Source: 1Lattice Report*).

Set forth below is the data in relation to revenue contribution from our ICT Devices for the years/period indicated:

| Particulars | As of six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operation | Amount | Percentage of revenue from operations | Amount | Percentage of revenue from operations |
| | *(₹ million)* | *(%)* | *(₹ million)* | *(%)* | *(₹ million)* | *(%)* | *(₹ million)* | *(%)* |
| Revenue from sale of laptops | 4,595.38 | 75.59 | 7,724.16 | 67.87 | 5,274.58 | 79.97 | 4,638.83 | 89.12 |
| Revenue from others* | 1,484.24 | 24.41 | 3,657.22 | 32.13 | 1,320.84 | 20.03 | 566.12 | 10.88 |
| **Total revenue from operations** | **6,079.62** | **100.00** | **11,381.38** | **100.00** | **6,595.42** | **100.00** | **5,204.95** | **100.00** |

**Includes desktops, tablets, servers, premium smart phones, mobile workstations and accessories.*

We are also a certified refurbishment partner with Lenovo and HP, which are top two global brands, in terms of market share of 24% and 21%, respectively, as of CY 2023 (*Source: 1Lattice Report*). Additionally, we serve as IT asset disposition ("**ITAD**") partners for leasing companies, IT consulting companies and banks as we meet their sustainability and data privacy requirements.

We offer other value – added services such as ITAD and e – waste management services, warranties, doorstep service, on–site installation, flexible pay options, easy upgrades, assured buyback programmes and buyback programmes for refurbished ICT Devices. We provide tailored buyback solutions for laptops and desktops to help large format retail stores such as Vijay Sales (India) Private Limited ("**Vijay Sales**") and OEM brand stores such as HP India Sales Private Limited ("**HP**") and Lenovo Global Technology (India) Private Limited ("**Lenovo**") to run efficient, customer – friendly buyback programs facilitating sale of new devices. We also offer other categories of ICT Devices such as open – box and brand new ICT Devices, providing customers with a range of options that cater to different needs and budgets. In addition, we also offer ICT Devices customised to the customer specifications and requirements. Moreover, we offer a wide range of stock keeping units ("**SKUs**") and as of September 30, 2024, our portfolio included 4,996 SKUs.

We have sales network with our refurbished ICT Devices being sold in 35 countries as of September 30, 2024. Our sales network comprises 3,265 touchpoints, in India and globally, as of September 30, 2024. These touchpoints include sale of ICT Devices through IT Solutions Providers/ Value Added Resellers, System Integrators, E-Tailers, Rental and Leasing Companies and Distributors/Aggregators. We even supply to global refurbishment companies including US based companies such as Joy Systems Inc, HUBX LLC, PlanITROI LLC, and Europe based companies such as PhoenixRM Ltd (Trading as GreenIT), ATX Computers Group, who procure from us on account of our quality, skill set and cost advantages. Additionally in India, among other prominent names, we supply to HP India Sales Private Limited, Lenovo Global Technology (India) Private Limited and Vijay Sales (India) Private Limited.

Set forth below is the data in relation to the growth of our customers for the years/period indicated:

| Particulars | As of six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Number of customers | 3,265 | 3,252 | 1,833 | 1,263 |

Similarly, we have a multi – channel global procurement network of 447 suppliers supported by an extensive procurement network in India and across the globe. Our procurement network comprises corporates, consulting companies, intermediaries, recyclers, refurbishment partners, educational institutes, leasing companies, NBFCs, large format retail stores and OEM brand stores, as of September 30, 2024. As refurbishers, we also enable HP and Lenovo for their assets/devices recovery services which they offer to their corporate customers which also helps them enable sale of new devices. Our procurement partners, among other prominent names, include USA based Iron Mountain and Apto Solutions Inc; Australia based Green Box Group Pty Ltd and Renew IT Pty Ltd; HP, Lenovo, Microsoft, Tata Capital Limited, and Steller Information Technology Private Limited (BitRaser), . We also have a service network comprising in house engineers, field engineers, on site engineers and we also enable Value Added Resellers and System Integrators to service our customers across India. Set forth below is the data in relation to the count of our procurement partners for the years/period indicated:

| Particulars | As of six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Count of procurement partners | 447 | 356 | 265 | 157 |

We are a Company with domestic and international operations, with five refurbishing facilities located across India, USA and UAE. We have one facility in Navi Mumbai, Maharashtra, India, one facility in Dallas, Texas, USA and three facilities in Sharjah, UAE, aggregating to 58,127.82 sq. ft. Each of our facilities is equipped with extensive refurbishing capabilities which includes not only screening and parts repair (L1 and L2 activities) but also motherboard repairs (L3 activities) along with keyboard reprinting, paint, fabrication and cosmetic work. We are amongst few companies globally, specialising in LCD repairs including repolarisation and light guide plate correction ("**LGP**") (*Source: 1Lattice Report*).

We also have an office in Netherlands housed in one of our Subsidiaries, Electronics Bazaar BV. Our facilities are strategically located to cater to regional markets while maintaining a global reach across India, Middle East, Europe, Africa and USA. Our facility in India adheres to internationally recognized quality management standards, including ISO 9001:2015 for quality management, ISO 27001:2013 for information security, ISO 14001:2015 for environmental management and ISO 45001:2018 for occupational health and safety. Additionally, we have "*Extended Producer Responsibility*" certification from Central Pollution Control Board and "*Responsible Recycling Version 3*" certification from Sustainable Electronics Recycling International ("**SERI**"). Such certifications highlight that our processes are not only efficient but also aligned with global industry practices. For details of other awards and certifications, "*History and Certain Corporate Matters – Awards, Accreditations and Recognitions"* on page 197.

Our Promoter and founder, Sharad Khandelwal, has 29 years of experience in the information and communication technology industry, playing a pivotal role in shaping our vision for affordable and reliable refurbished ICT Devices. We have expanded our focus towards modern technology and sustainable practices under his leadership and guidance. He is a member of the Institute of Chartered Accountant of India (ICAI) and held all India rank six in the final examination conducted by ICAI during the year 1994. His deep understanding of the industry, combined with his management skills, has enabled us to position our Company as one of the key players in the refurbished ICT Devices industry. His leadership plays a crucial role in strategic decisions, overseeing key business functions, contributing to our growth and operational efficiency. He is also supported by an international team of Key Managerial Personnel and Senior Management Personnel, who collectively bring extensive expertise across various business functions, including finance, compliance, business expansion, project management, and engineering. Additionally, the team possesses knowledge and expertise in business development, supply chain management, and operations, having contributed to the growth of renowned companies in the consumer electronics sector. Their combined experience ensures a quick execution and well – rounded leadership that drives operational excellence and strategic growth for the Company. For further details, refer to "*Our Management*" on page 206.

The following table sets forth certain financial and operational information for the years / period indicated:

(*in ₹ million, unless otherwise stated*)

| Particulars | Six months period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|---|---|---|---|
| Revenue from Operations (1) | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| Gross Margin (2) | 1,026.22 | 1,401.52 | 1,011.45 | 616.51 |
| Gross Margin (%) (3) | 16.88% | 12.31% | 15.34% | 11.84% |
| EBITDA(4) | 633.69 | 849.04 | 500.40 | 346.70 |
| EBITDA Margin (%) (5) | 10.42% | 7.46% | 7.59% | 6.66% |
| PAT(6) | 352.12 | 523.05 | 324.28 | 217.70 |
| PAT Margin (%) (7) | 5.79% | 4.60% | 4.92% | 4.18% |
| RoE (%) (8)* | 17.76% | 31.96% | 28.97% | 27.36% |
| ROCE (%) (9)* | 8.43% | 16.72% | 17.91% | 18.06% |
| Net Working Capital (no. of days) (10) | 146 | 42 | 61 | 60 |
| Property, plant and equipment (Gross) turnover ratio (11)* | 15.95 | 31.97 | 60.65 | 51.73 |
| Revenue split by geography | 6,079.62 | 11,381.38 | 6,595.42 | 5,204.95 |
| - *Within India* | *1,480.30* | *4,783.90* | *3,262.92* | *3,112.58* |
| - *Outside India* | *4,599.32* | *6,597.48* | *3,332.50* | *2,092.37* |
| Volume of devices refurbished (no.) (12) | 2,59,628 | 3,69,320 | 2,48,135 | 1,95,651 |
| No. of customers served (no.) (13) | 3,265 | 3,252 | 1,833 | 1,263 |
| No. of procurement partners (no.) (14) | 447 | 356 | 265 | 157 |

**Not annualized.*

.

*Notes:*

1. *Revenue from operations as per Restated Consolidated Financial Information.*
2. *Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross Margin (%) is computed as material margin divided by revenue from operations *100.*
4. *EBITDA is calculated as restated profit before tax (before exceptional items) plus finance costs and depreciation and amortization expenses.*
5. *EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.*
6. *Restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT Margin (%) is calculated as restated profit for the year divided by Revenue from Operation.*
8. *Return on Equity (%) is calculated as PAT attributable to owners of the Company as a % Shareholders' equity.*
9. *ROCE is calculated as EBIT as a % of capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed including non controlling interest refers to sum of total equity plus borrowings plus current maturities of long term borrowings.*
10. *Net Working Capital (no. of days) are calculated by dividing net working capital by revenues from operation multiplied by 365. Net working capital amount is calculated as current assets less current liabilities.*
11. *Property, plant and equipment (gross) turnover ratio is calculated by dividing revenues from operation by gross block value of property, plant and equipment as per Restated Consolidated Financial Information.*
12. *Volume of devices refurbished (Nos) is calculated as sum of total numbers of ICT devices refurbished by the Company during the period.*
13. *No. of customers served (Nos.) is calculated as sum of customers invoiced by the Company during the period.*
14. *No. of procurement partners (Nos.) is calculated as sum of procurement partners from which the Company had purchases during the period.*

**Principal Factors Affecting Our Financial Condition and Results of Operations**

Our business, results of operations and financial condition are affected by a number of factors, including:

***A. Macro-economic conditions, and the factors affecting the refurbished electronics industry, in India and globally***

The global used and refurbished electronics market grew from US$ 169.9B in CY18 to US$ 207.4B in CY23, at a CAGR of 4.1%. By CY28, the market is projected to reach US$ 334.8B, growing at a 10% CAGR as consumers and industries increasingly prioritize cost-effective solutions. Similarly, the Indian used and refurbished market has seen significant growth, expanding from ~US$ 11.3B in FY19 to ~US$ 16.7B in FY24, and is projected to reach ~US$ 35B by FY29, at a CAGR of 16% over FY24-29 (*Source: 1Lattice Report*). A common trend in both the Indian and global markets is the increasing preference for refurbished devices over "*as-is used*" devices. In FY19, the unorganized market held a significant share at 95%, while the organized market was much smaller at 5%. By FY24, the organized segment grew to 11% with a robust CAGR of 33% and this trend is expected to continue by FY29, where the organized market is projected to reach 32% growing at a CAGR of 42%.

The Indian refurbished electronics market is growing due to a multitude of factors such as national sustainability goals, increasing digitization, increasing demand for affordable technology, opportunities for organized players. Key factors have been highlighted below:

- India's key sustainability;
- Increasing digitization;
- Growing demand for affordable tech products;
- Technological advancements;
- Tech advancement in refurbishment;
- Eco – friendly consumer preference;
- Reduction of IT capex;
- Promotion of refurbished products by OEMs;
- First mover advantage; and
- Consumer trust and warranty programme.

(*Source: 1Lattice Report*).

Our performance is significantly affected by the economic environment, particularly trends in the refurbished electronics industry in India. This industry is influenced by economic growth, regulatory frameworks, government investment, and environmental policies, all of which directly impact demand for refurbishment of ICT Devices.

***B. Ability to fund working capital requirements and access to capital resources***

Our ability to grow depends largely on cost effective avenues of funding. Our business requires significant amounts of working capital, primarily to meet any expenses incurred in the ordinary course of business, including for financing our raw materials and components purchases, payment of salaries and wages, rent, administration expenses, insurance related expenses, payment of taxes and duties, advertisement, brand building and other marketing expenses, payment of interest on borrowings and meeting any other exigencies which we may face in manufacturing our products before we receive payments from our customers. Further, our working capital requirements also tend to increase if our sales terms do not include advance payments or if payment is stipulated at the time of delivery of the final product to our customer.

In order to manage our working capital effectively, we are working on aligning vendor payment terms with receivables in some cases. Our working capital requirements could increase if there is a considerable difference between the holding levels of our trade payables and our trade receivables and insufficient cash flows may affect our ability to fund our working capital requirements. As at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, our trade receivables were 1,801.80 million ₹ 1,169.06 million, ₹ 911.44 million and ₹ 421.83 million, respectively. Further, we are exposed to counterparty credit risk in the usual course of our business due to the nature of, and the inherent risks involved in, dealings, agreements and arrangements with our counterparties who may delay or fail to make payments. Set forth below are details relating to working capital on a standalone basis, for the periods indicated.

| S. No. | Particulars | Holding level (No. of days) ^$ | | | |
|---|---|---|---|---|---|
| | | **For six months period ended September 30, 2024** | **For Fiscal 2024** | **For Fiscal 2023** | **For Fiscal 2022** |
| 1. | Inventory days (A)[(1)] | 109 | 80 | 71 | 71 |
| 2. | Trade receivables days (B) [(2)] | 51 | 40 | 46 | 59 |
| 3. | Other current assets (C) [(3)] | 62 | 58 | 30 | 29 |
| 4. | Trade payables days (D) [(4)] | 8 | 15 | 5 | 7 |
| 5. | Other current liabilities (E) [(5)] | 10 | 6 | 36 | 31 |
| 6. | **Net Working Capital Days (F=A+B+C-D-E)** | **204** | **157** | **106** | **121** |

*Note: As certified by our Statutory Auditors, by way of their certificate dated December 14, 2024.*
*$Numbers working days have been calculated based on the projections made by Company for Fiscal 2025, 2026 and 2027*
*(1) Inventory days means [(opening inventory + closing inventory) / 2] * cost of goods sold^ * 365.*
*(2) Trade receivables days means (trade receivable / revenue from operations) * 365.*
*(3) Other current assets means [(other current assets + loans and advances) / revenue from operations] * 365.*
*(4) Trade payable days means (trade payable/ cost of goods sold^) * 365.*
*(5) Other current liabilities means (other current liabilities / total cost) * 365.*
*^Cost of good sold=Direct Cost + Change in Inventory.*

We strive to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers and to act as a natural hedge against any sudden increases in pricing of our materials and parts. To this end, we manage our inventories, purchase of raw materials and parts based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly optimised our inventory management, to ensure we meet our future requirements without maintaining undue levels of inventory. Currently, we fund our working capital requirements from our internal accruals as well as through raising working capital loans. Access to adequate capital at affordable cost of borrowing from our lenders and on such terms and conditions which are mutually acceptable to our Company and the lenders is critical to our business, operations and financial performance.

### *C. Dependency on Customer and Supplier relationships*

Our top customers and suppliers and the corresponding revenues and expense contribution from our top suppliers and customers, respectively, may vary across financial reporting periods or years. Our reliance on a concentrated group of suppliers and customers exposes us to potential risks in case of disruptions, pricing changes, or other adverse developments in these relationships. Details of our top 10 customers and suppliers, and their contributions to revenue and expenses for Fiscal 2024, are as set out in the table below:

| **Particulars** | **Fiscal 2024** | |
|---|---|---|
| | **Amount (in ₹ million)** | **% of total revenue from operations** |
| Customer 1 | 1,966.22 | 17.28% |
| Customer 2 | 1,298.72 | 11.41% |
| Customer 3 | 751.32 | 6.60% |
| Customer 4 | 589.90 | 5.18% |
| Customer 5 | 463.45 | 4.07% |
| Customer 6 | 320.77 | 2.82% |
| Customer 7 | 307.85 | 2.70% |
| Customer 8 | 236.92 | 2.08% |
| Customer 9 | 221.69 | 1.95% |
| Customer 10 | 190.05 | 1.67% |
| **Total** | **6,346.89** | **55.77%** |

**Names from our top 10 customers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such customers to be named in the Offer Documents.*

Set forth below is a table depicting the cost of total inventory from our top 10 suppliers:

| **Particular*** | **Fiscal 2024** | |
|---|---|---|
| | **Amount (in ₹ million)** | **As a % of the cost of total inventory** |
| Supplier 1 | 2,881.60 | 24.48% |
| Supplier 2 | 1,661.70 | 14.12% |
| Supplier 3 | 694.04 | 5.90% |
| Supplier 4 | 601.37 | 5.11% |
| Supplier 5 | 565.18 | 4.80% |
| Supplier 6 | 467.96 | 3.97% |
| Supplier 7 | 306.48 | 2.60% |
| Supplier 8 | 288.85 | 2.45% |
| Supplier 9 | 271.50 | 2.31% |
| Supplier 10 | 185.94 | 1.58% |
| **Total** | **7,924.63** | **67.31%** |

**Names of our top 10 suppliers have not been included in this Draft Red Herring Prospectus due to non-receipt of consent from such suppliers to be named in the Offer Documents.*

Given this dependency on key suppliers and customers, any disruptions, changes in demand, or reductions in business volumes from these relationships could significantly impact our results of operations, financial condition, and overall business prospects. For further details, please see "*Risk Factors - A substantial portion of our revenues is dependent on our top 10 customers. In Fiscal 2024, we derived 55.77% of our total revenue from operations from our top 10 customers. The loss of any of these customers may adversely affect our revenues and profitability"* on page 28 and **"***Risk Factors - We depend on a limited number of suppliers for our inventory. Any interruption in the availability of inventory may adversely impact our operations. Further, any failure by our suppliers to provide inventory to us on time or at all, or as per our specifications and quality standards may have an adverse impact on our ability to meet our delivery schedules"* on page 28.

### *D. Foreign exchange fluctuations*

Our consolidated financial statements are prepared in Indian rupees. However, a portion of our sales is denominated in currencies other than Indian rupees, particularly the US dollars, UAE Dirham, Euro and UK GBP, and our purchases of materials and parts from overseas suppliers are denominated primarily in US dollars. Accordingly, our consolidated financial statements may be affected by exchange rate fluctuations. To the extent that we incur costs in one currency and derive sales in another currency, our results of operations may be affected by the relative strengths of the two currencies. Although the impact of exchange rate fluctuations has in the past been partially mitigated by our hedging strategies, including forward exchange contracts, we have foreign currency exposures that have not been hedged by a derivative instrument or otherwise. For more details, see "*Notes to the Restated Financial Information – Note 43: Financial risk management objectives and policies*" on page 284. Our results of operations have historically been affected by exchange rate fluctuations, and there can be no assurance that such strategies will be effective in eliminating or reducing the adverse impact of future fluctuations. For details, refer to "*Risk Factors – We are exposed to a significant risk from exchange rate fluctuations. If we fail to manage our foreign currency risk, our business, results of operations and financial condition may be materially and adversely affected.*" on page 41.

**Significant Accounting Policies**

The significant accounting policies adopted in the preparation of our Restated Consolidated Financial Information are set forth below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation of Restated Consolidated Financial Information**

The Restated Consolidated Financial Information of the Company and its subsidiaries (collectively, the "Group"), comprises of the Restated Consolidated Statements of Assets and Liabilities as at September 30, 2024 and March 31,2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income) which includes the Group's share of profit/ loss in its subsidiaries, the Restated Consolidated Statements of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the six month periods ended September 30, 2024 and for the years ended March 31, 2024, 2023 and 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") and the Prospectus (together with DRHP referred to as the "Offer Documents") to be prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Financial Information have been prepared by the Company 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 ("**ICDR Regulations**");

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**").

The Restated Consolidated Financial Information has been prepared under historical cost convention on accrual basis, unless otherwise stated. The Restated Consolidated Financial Information of the Group are presented as per Schedule III (Division II) of the Companies Act, 2013.

For the purpose of preparation of Restated Consolidated Financial Information for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022 of the Company, the transition date is considered as April 01, 2021 The Company has prepared in accordance with Ind-AS 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101) in preparing its opening Restated Consolidated Financial Information, Refer Note 45 for reconciliation of equity and total comprehensive income as per the Special Purpose Restated Consolidated Financial Statements as at and for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022 and Statutory Indian GAAP Consolidated Financial Statements as at and for the period ended 30th September 2024, 31st March 2024, 31st March 2023, 31st March 2022. The Company followed the provisions of Ind- AS 101 in preparing its opening Restated Consolidated Financial Information as of the date of transition. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2021 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2021 as required by Ind- AS 101. The Restated Consolidated Financial Information for 31st March 2022 and 31st March 2023are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and described in the para. As such, these Restated Consolidated Financial Information are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

The Restated Consolidated Financial Information have been compiled by the Management from:

a) audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the six month period ended **September 30, 2024** prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India (the "**Special Purpose Interim Restated Consolidated Ind AS Financial Statements**") except for inclusion of comparative information as those are not being given in the Restated

Consolidated financial information as per the option available to the Issuer under Paragraph (A) (i) of Clause 11(I) of Part A of Schedule VI of the SEBI ICDR Regulations, which have been approved by the Board of Directors at their meeting held on December 4, 2024.

b) audited special purpose Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2024, and March 31, 2023 ("**Special Purpose Restated Consolidated Ind AS Financial Statements**") 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, and have been approved by the Board of Directors at their meeting held December 4, 2024

c) audited special purpose Restated Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2022, have been prepared by the management of the Group in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. 01 April 2021, except for inclusion of comparative information as those are not being given in the Restated Consolidated financial information , which have been approved by the Board of Directors at their meeting held on December 4, 2024.

Current and non-current classification

The Group presents Assets and Liabilities in the Balance Sheet based on Current and Non-Current classification

**Assets**

An asset is classified as current when it satisfies any of the following criteria:
(a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the balance sheet date; or
(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date. Current assets include the current portion of non- current financial assets All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:
(a) it is expected to be settled in, the Company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within 12 months after the balance sheet date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current liabilities include current portion of noncurrent financial liabilities. All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of assets and liabilities.

**Principal Components of Statement of Profit and Loss**

***Total income***

Our total income comprises revenue from operations and other income. We generate majority of our revenue from sale of refurbished ICT Devices.

*Revenue from operations*

Our revenue from operations primarily includes revenue from local sales, export sales, incentive income and leasing income.

*Other income*

Our other income primarily includes (i) interest income on fixed deposits, (ii) interest from others, (iii) export incentive, (iv) exchange fluctuation gain, and (v) net gain on fair value change on investment.

***Expenses***

Our total expenses include the below mentioned expenses:

*Direct cost*

Our direct cost comprises purchases of products (both domestic and imported), refurbishment expenses and other related costs.

*Changes in inventory of finished goods*

Our changes in inventory of finished goods comprises difference between the closing and the opening inventory of finished goods and stock-in-trade.

*Employee benefits expense*

Our employee benefits expense primarily include (i) salaries and wages, (ii) contribution to provident and other funds, (iii) gratuity, and (iv) staff welfare expenses.

*Finance costs*

Our finance costs primarily include (i) bank interest charges, (ii) interest expense on lease liability, and (iii) other finance costs.

*Depreciation and Amortization expense*

Our depreciation and amortization primarily include (i) depreciation on plant, property and equipment, and (ii) depreciation on ROU.

*Other Expenses*

Our other expenses primarily include (i) electricity, (ii) advertisement and sales promotion, (iii) rent, rates and taxes (iv) freight outward charges, (v) legal and professional charges, (vi) insurance charges, (vii) audit fees, (viii) travelling and conveyance expenses, (ix) CSR expenses, (x) office expenses, (xi) website maintenance charges, (xii) payment collection charges, (xiii) telephone and internet, (xiv) printing and stationery, (xv) fees and charges, and (xvi) miscellaneous expenses.

*Tax Expenses*

Our tax expenses primarily include current tax, earlier year tax provisions, and deferred tax.

*Profit after tax for the period*

Profit after tax for the period includes the profit for the year after tax expenses and exceptional items.

**Results of Operations based on our Restated Consolidated Financial Information**

The following table sets forth select financial data from our statement of profit and loss for the six months period ended September 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, the components of which are also expressed as a percentage of total revenue for such periods.

| Particulars | | For the six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| | | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) |
| **I** | **Revenue** | | | | | | | | |
| | Income | | | | | | | | |
| | Revenue from Operations | 6,079.62 | 99.18% | 11,381.38 | 99.51% | 6,595.42 | 99.51% | 5,204.95 | 99.73% |
| | Other income | 50.10 | 0.82% | 56.59 | 0.49% | 32.44 | 0.49% | 14.24 | 0.27% |
| | Total income (I) | 6,129.72 | 100.00% | 11,437.97 | 100.00% | 6,627.86 | 100.00% | 5,219.19 | 100.00% |
| **II** | **Expenses** | | | | | | | | |

| | Particulars | For the six months period ended September 30, 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| | | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) | (In ₹ million) | (As a % of total revenue) |
| | Direct cost | 5,722.48 | 93.36% | 11,772.53 | 102.92% | 5,806.54 | 87.61% | 4,778.67 | 91.56% |
| | Changes in Inventory of Finished Goods | (669.08) | (10.92)% | (1,792.67) | (15.67)% | (222.56) | (3.36)% | (190.23) | (3.64)% |
| | Employee benefits expense | 251.07 | 4.10% | 355.94 | 3.11% | 196.16 | 2.96% | 95.39 | 1.83% |
| | Finance costs | 194.32 | 3.17% | 239.27 | 2.09% | 118.41 | 1.79% | 82.21 | 1.58% |
| | Depreciation and amortisation expenses | 46.05 | 0.75% | 36.54 | 0.32% | 27.80 | 0.42% | 22.05 | 0.42% |
| | Other expenses | 191.56 | 3.13% | 253.13 | 2.21% | 347.32 | 5.24% | 188.66 | 3.61% |
| | **Total expenses (II)** | **5,736.39** | **93.58%** | **10,864.74** | **94.99%** | **6,273.67** | **94.66%** | **4,976.74** | **95.35%** |
| **III** | **Restated Profit Before exceptional items & taxes** | 393.33 | 6.42% | 573.23 | 5.01% | 354.19 | 5.34% | 242.45 | 4.65% |
| | Exceptional Items: Prior Period Item - Gratuity Provision for Earlier Years | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| **IV** | **Restated Profit Before taxes** | 393.33 | 6.42% | 573.23 | 5.01% | 354.19 | 5.34% | 242.45 | 4.65% |
| | (i) Current tax | 27.90 | 0.46% | 39.10 | 0.34% | 30.00 | 0.45% | 24.80 | 0.48% |
| | (ii) Deferred tax | 3.00 | 0.05% | 11.08 | 0.10% | (0.09) | 0.00% | (0.86) | (0.02)% |
| | (iii)Short/(Excess) Provisions of Income Tax of earlier years | 10.31 | 0.17% | - | 0.00% | - | 0.00% | 0.81 | 0.02% |
| | **Total tax expenses** | 41.21 | 0.67% | 50.18 | 0.44% | 29.91 | 0.45% | 24.75 | 0.47% |
| **V** | **Restated Profit for the year** | 352.12 | 5.74% | 523.05 | 4.57% | 324.28 | 4.89% | 217.70 | 4.17% |
| **VI** | **Restated Other comprehensive income** | | | | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | | | | |
| | - Re-measurement gains/(losses) on defined benefit plans | (0.51) | (0.01)% | 0.42 | 0.00% | (0.27) | 0.00% | 1.09 | 0.02% |
| | Foreign Exchange difference on Translation of Foreign operations | (5.86) | (0.10)% | (5.93) | (0.05)% | (0.69) | (0.01)% | (4.06) | (0.08)% |
| | Total Restated comprehensive income for the year | (6.38) | (0.10)% | (5.51) | (0.05)% | (0.96) | (0.01)% | (2.98) | (0.06)% |
| | Restated comprehensive income for the year | 345.75 | 5.64% | 517.54 | 4.52% | 323.32 | 4.88% | 214.73 | 4.11% |
| | Restated Net Profit Attributable to: | | | | | | | | |
| | Owners of the company | 351.00 | 5.73% | 521.38 | 4.56% | 323.28 | 4.88% | 217.13 | 4.16% |
| | Non-Controlling interest | 1.12 | 0.02% | 1.67 | 0.01% | 1.00 | 0.02% | 0.57 | 0.01% |
| | Restated Other Comprehensive Income Attributable to: | | | | | | | | |
| | - Owners of the company | (6.35) | (0.10)% | (5.49) | (0.05)% | (0.96) | (0.01)% | (2.96) | (0.06)% |
| | - Non-Controlling interest | (0.03) | 0.00% | (0.02) | 0.00% | (0.00) | 0.00% | (0.02) | 0.00% |
| | Restated Total Comprehensive Income Attributable to: | | | | | | | | |
| | Owners of the company | 344.65 | 5.62% | 515.47 | 4.51% | 322.32 | 4.86% | 214.17 | 4.10% |
| | Non-Controlling interest | 1.10 | 0.02% | 2.07 | 0.02% | 0.99 | 0.01% | 0.56 | 0.01% |
| | Restated Earnings per equity share (in INR) face value INR 2 each attributable to equity shareholders of the present) (Refer Note 34) | | | | | | | | |
| | (1) Basic | 3.61 | 0.06% | 5.37 | 0.05% | 3.33 | 0.05% | 2.24 | 0.04% |
| | (2) Diluted | 3.61 | 0.06% | 5.37 | 0.05% | 3.33 | 0.05% | 2.24 | 0.04% |

## COMPARISON OF THE RESULTS OF OPERATIONS

***Six months period ended September 30, 2024***

*Total income*

Our total income was ₹ 6,129.72 million for six months period ended September 30, 2024, on account of the factors discussed below.

*Revenue from operations*

Our revenue from operations was ₹6,079.62 million for six months period ended September 30, 2024, primarily comprising (i) revenue from sale of products of ₹ 5,992.34 million, of which revenue from sale of products within India was ₹ 1,393.02 million and revenue from sale of products outside India was ₹ 4,599.32 million; and (ii) leasing and incentive income of ₹ 87.28 million.

*Other income*

Our other income was ₹ 50.10 million for six months period ended September 30, 2024, primarily comprising interest earned on fixed deposit of ₹ 25.75 million, exports incentives of ₹ 8.73 million and gain on account of foreign exchange fluctuations of ₹ 11.82 million and net gain from value change in investment of ₹ 3.53 million.

*Expenses*

Our total expenses was ₹ 5,736.39 million for six months period ended September 30, 2024, on account of the factors discussed below:

*Direct Costs*

Our direct cost (which comprises costs incurred within India and outside India) was ₹ 5,722.48 million for six months period ended September 30, 2024, primarily comprising costs in relation to the procurement of ICT Devices ₹ 5,457.37 million and costs related to refurbishment of ICT Devices, including cost of L1, L2 and L3 activities such as motherboard repairs, keyboard reprinting, paint, fabrication and cosmetic work of ₹ 265.10 million.

*Changes in inventories of finished goods*

The net change in inventory of finished goods was ₹ (669.08) million for six months period ended September 30, 2024, primarily due to the higher closing inventory such as used electronics, spare parts and finished ICT Devices of ₹ 3,811.70 million.

*Employee Benefits Expense*

Our employee benefits expense was ₹ 251.07 million for six months period ended September 30, 2024, primarily comprising salaries and wages of the employees.

*Finance Costs*

Our finance costs was ₹ 194.32 million for six months period ended September 30, 2024, primarily comprising interest charges on bank borrowings of ₹ 132.72 million along with interest expenses on lease liability of ₹ 2.03 million and other finance costs of ₹ 59.57 million as at September 30, 2024.

*Depreciation and amortization expense*

Our depreciation and amortization expense was ₹ 46.05 million for six months period ended September 30, 2024, primarily comprising depreciation on property, plant and equipment of ₹ 28.34 million and depreciation on right of use ("**ROU**") of ₹ 17.70 million during the period.

*Other Expenses*

Our other expense was ₹ 191.56 million for six months period ended September 30, 2024, primarily comprising legal and professional charges of ₹ 12.24 million, freight outward charges of ₹ 47.95 million, travelling and conveyance expenses of ₹ 35.78 million, insurance charges of ₹ 12.70 million, office expenses of ₹ 19.20 million, rent, rates and taxes of ₹ 14.23 million and miscellaneous expenses of ₹ 20.62 million.

*Tax Expense*

Our tax expenses was ₹ 41.21 million for six months period ended September 30, 2024, primarily due to provision for tax ₹ 27.90 million and short provision for the earlier year of ₹ 10.31 million and deferred tax of ₹ 3.00 million.

*Profit after tax for the period*

As a result of the foregoing factors, our profit after tax for the period was ₹ 352.12 million for six months period ended September 30, 2024.

***Fiscal 2024 Compared to Fiscal 2023***

*Total Income*

Our total income increased by 72.57% to ₹11,437.97 million for Fiscal 2024 from ₹6,627.86 million for Fiscal 2023, on account of the factors discussed below.

*Revenue from operations*

Our revenue from operations increased by 72.56% to ₹11,381.38 million for Fiscal 2024 from ₹6,595.42 million for Fiscal 2023, primarily due to (i) increase in the revenue from sale of products to ₹11,272.13 million for Fiscal 2024 from ₹6,452.19 million for Fiscal 2023. The revenue from sale of products within India increased to ₹ 4,674.65 million for Fiscal 2024 from ₹ 3,119.69 million for Fiscal 2023 and revenue from sale of products outside India increased to ₹ 6,597.48 million for Fiscal 2024 from ₹ 3,332.50 million for Fiscal 2023, driven by geographical expansion in USA and European Union; and (ii) increase in the leasing income to ₹ 3.62 million in Fiscal 2024 from Nil in Fiscal 2023.

*Other income*

Our other income increased by 74.48% to ₹56.59 million for Fiscal 2024 from ₹32.44 million for Fiscal 2023, primarily due to increase in the interest on fixed deposit to ₹ 26.55 million for Fiscal 2024 from ₹ 11.66 million in Fiscal 2023, increase in the export incentives to ₹ 7.17 million for Fiscal 2024 from ₹ 0.80 million in Fiscal 2023 and increase in the exchange fluctuation gain (net) to ₹ 19.47 million for Fiscal 2024 from ₹ 18.12 million in Fiscal 2023.

*Expenses*

Our total expenses increased by 73.18% to ₹10,864.74 million for Fiscal 2024 from ₹6,273.67 million for Fiscal 2023, on account of the factors discussed below.

*Direct Costs*

Our direct costs (which primarily comprises costs incurred within India and outside India) has increased by 102.75% to ₹11,772.53 million for Fiscal 2024 from ₹ 5,806.54 million for Fiscal 2023, primarily due to increase in the purchase of ICT Devices to ₹ 11,290.83 million for Fiscal 2024 from ₹ 5,658.30 million in Fiscal 2023 and increase in the related refurbishment expenses to ₹481.70 million for Fiscal 2024 from ₹148.24 million for Fiscal 2023. Our total purchase of ICT Devices (within India) increased to ₹ 5,941.64 million for Fiscal 2024 from ₹ 4,255.71 million for Fiscal 2023 and the purchase of ICT Devices (outside India) increased to ₹ 5,349.19 million for Fiscal 2024 from ₹ 1,402.58 million for Fiscal 2023.

*Changes in inventories of finished goods*

Our cost of changes in inventories of finished goods increase by 705.46% to ₹1,792.67 million for Fiscal 2024 from ₹222.56 million for Fiscal 2023, primarily due to increase in the sale of products to ₹11,381.38 million for Fiscal 2024 from ₹6,595.42 million for Fiscal 2023 and increase in procurement of products to ₹11,290.83 million for Fiscal 2024 from ₹ 5,568.30million for Fiscal 2023, leading to an increase in the closing inventory.

*Employee Benefits Expense*

Our employee benefits expense increased by 81.45% to ₹355.94 million for Fiscal 2024 from ₹196.16 million for Fiscal 2023, primarily due to increase in the number of employees to 837 as at March 31, 2024 from 404 as at March 31, 2023 and the corresponding increase in the salaries, wages, staff welfare expenses, gratuity and contribution to provident and other funds.

*Finance Costs*

Our finance costs increased by 102.07% to ₹239.27 million for Fiscal 2024 from ₹118.41 million for Fiscal 2023, primarily due to increase (i) in our borrowings (both current as well as non-current) from ₹ 3,223.33 million as at March 31, 2024 to ₹ 1,520.22 million as at March 31, 2023, (ii) the interest charges (bank) to ₹ 183.27 million for Fiscal 2024 from ₹ 85.65 million for Fiscal

2023, (iii) the interest expenses on lease liability to ₹ 4.85 million for Fiscal 2024 from ₹ 2.26 million for Fiscal 2023, and (iv) other finance cost to ₹ 51.15 million for Fiscal 2024 from ₹ 30.50 million for Fiscal 2023.

*Depreciation and Amortization expense*

Our depreciation and amortization expense increased by 31.41% to ₹ 36.54 million for Fiscal 2024 from ₹27.80 million for Fiscal 2023, primarily due to purchase of computers amounting to ₹215.27 million leading to an increase in the depreciation and amortization expense for the year.

*Other Expenses*

Our other expenses decreased by 27.12% to ₹253.13 million for Fiscal 2024 from ₹ 347.32 million for Fiscal 2023, primarily due to reduction in the payment collection and other charges to ₹31.69 million for Fiscal 2024 from ₹162.03 million for Fiscal 2023 and freight outward charges to ₹33.34 million for Fiscal 2024 from ₹61.05 million for Fiscal 2023.

*Tax Expense*

Our tax expense increased by 67.77% to ₹ 50.18 million for Fiscal 2024 from ₹ 29.91 million for Fiscal 2023, primarily due to increase in the revenue from operations of the Company. The profit before tax for Fiscal 2024 was ₹ 573.23 million as against profit before tax of ₹ 354.19 million for Fiscal 2023.

*Profit after tax for the period*

As a result of the foregoing factors, our profit after tax for the period increased by 61.30% to ₹523.05 million for Fiscal 2024 from ₹ 324.28 million for Fiscal 2023.

***Fiscal 2023 Compared to Fiscal 2022***

*Total Income*

Our total income increased by 26.99% to ₹6,627.86 million for Fiscal 2023 from ₹ 5,219.19 million for Fiscal 2022, on account of the factors discussed below.

*Revenue from operations*

Our revenue from operations increased by 26.71% to ₹ 6,595.42 million for Fiscal 2023 from ₹ 5,204.95 million for Fiscal 2022, primarily due to increase in the (i) revenue from sale of products to ₹6,452.19 million for Fiscal 2023 from ₹ 5,090.21 million for Fiscal 2022. The revenue from sale of products within India increased to ₹ 3,119.69 million for Fiscal 2023 from ₹ 2,997.84 million for Fiscal 2022 and revenue from sale of products outside India increased to ₹ 3,332.50 million for Fiscal 2023 from ₹ 2,092.37 million for Fiscal 2022, driven by geographic expansion in countries such as USA, Spain and Israel and Mexico, and (ii) increase in the incentive income to ₹ 143.23 million for Fiscal 2023 from ₹ 114.74 million in Fiscal 2022.

*Other income*

Our other income increased by 127.80% to ₹32.44 million for Fiscal 2023 from ₹14.24 million for Fiscal 2022, primarily due to increase in (i) the interest earned on fixed deposits to ₹ 11.66 million for Fiscal 2023 from ₹ 8.87 million in Fiscal 2022, (ii) the exchange fluctuation gain to ₹18.12 million for Fiscal 2023 from ₹2.25 million for Fiscal 2022, and (iii) export incentive to ₹0.80 million for Fiscal 2023 from ₹ 0.16 million for Fiscal 2022.

*Expenses*

Our total expenses increased by 26.06% to ₹ 6,273.67million for Fiscal 2023 from ₹ 4,976.74 million for Fiscal 2022, on account of the factors discussed below.

*Direct Costs*

Our direct costs (which comprises costs incurred within India and outside India) increased by 21.51% to ₹ 5,806.54 million for Fiscal 2023 from ₹ 4,778.67 million for Fiscal 2022, primarily due to increase in the purchase of ICT Devices to ₹ 5,658.30 million for Fiscal 2023 from ₹ 4,687.01 million in Fiscal 2022 and increase in related refurbishment expenses to ₹148.24 million for Fiscal 2023 from ₹91.65 million for Fiscal 2022. Additionally, our total purchase of ICT Devices (within India) increased to ₹ 4,255.71 million for Fiscal 2023 from ₹ 3,373.05 million for Fiscal 2022 and the purchase of ICT Devices (outside India) increased to ₹ 1,402.58 million for Fiscal 2023 from ₹ 1,313.97 million for Fiscal 2022.

*Changes in inventories of finished goods*

Our changes in inventory of finished goods increased by 17.00% to ₹222.56 million for Fiscal 2023 from ₹190.23 million for Fiscal 2022, primarily due to increase in the sale of ICT Devices to ₹6,452.19 million for Fiscal 2023 from ₹5,090.21 million for Fiscal 2022 and procurement of ICT Devices to ₹5,658.30 million for Fiscal 2023 from ₹4,687.01 million for Fiscal 2022, which has resulted in the increase in the inventories.

*Employee Benefits Expense*

Our employee benefits expense increased by 105.65% to ₹ 196.16 million for Fiscal 2023 from ₹95.39 million for Fiscal 2022, primarily due to increase in the employees to 363 in Fiscal 2023 from 201 in Fiscal 2022 and the corresponding increase in the salaries, wages, staff welfare expenses and gratuity and contribution to provident and other funds.

*Finance Costs*

Our finance costs increased by 44.03% to ₹118.41 million for Fiscal 2023 from ₹ 82.21 million for Fiscal 2022, primarily due to increase in (i) our borrowings (both current as well as non-current) to ₹ 1,520.22 million as at March 31, 2023 from ₹1,002.67 million as at March 31, 2022. (ii) the interest charges (bank) to ₹ 85.65 million for Fiscal 2023 from ₹ 73.75 million for Fiscal 2022, and (iii) interest expenses on lease liability to ₹ 2.26 million for Fiscal 2023 from ₹ 1.49 million for Fiscal 2022.

*Depreciation and Amortization expense*

Our depreciation and amortization expense increased by 26.12% to ₹27.80 million for Fiscal 2023 from ₹22.05 million for Fiscal 2022, primarily due to addition of ROU assets of ₹ 85.63 million in Fiscal 2023 from ₹7.42 million in Fiscal 2022.

*Other Expenses*

Our other expenses increased by 84.10% to ₹ 347.32 million for Fiscal 2023 from ₹ 188.66 million for Fiscal 2022, primarily due to increase in the freight outward charges to ₹61.05 million for Fiscal 2023 from ₹19.26 million for Fiscal 2022, traveling and conveyance charges to ₹33.47 million for Fiscal 2023 from ₹21.59 million for Fiscal 2022 and payment collection charges to ₹162.03 million for Fiscal 2023 from ₹1.62 million for Fiscal 2022

*Tax Expense*

Our tax expense increased by 20.86% to ₹ 29.91 million for Fiscal 2023 from ₹24.75 million for Fiscal 2022, primarily due to increase in the revenue of the Company. The profit before tax for Fiscal 2023 was ₹ 354.19 million as against profit before tax of ₹ 242.45 million for Fiscal 2022.

*Profit after tax for the period*

As a result of the foregoing factors, our profit after tax for the period increased by 48.96% to ₹ 324.28 million for Fiscal 2023 from ₹ 217.70 million for Fiscal 2022.

**Liquidity and Capital Resources**

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, and borrowings. As of September 30, 2024, we had ₹ 3,811.70 million in inventories, ₹ 1,801.80 million trade receivables, cash and cash equivalents including bank balances of ₹ 863.12 million and other current assets of ₹ 449.88 million.

For the six months period ended September 30, 2024, and Fiscals 2024, 2023 and 2022, and our total liabilities based on our Restated Consolidated Financial Statements amounted to ₹5,430.88 million, ₹4,222.44 million, ₹1,736.75 million and ₹1,152.20 million, respectively.

***Cash Flows based on Restated Consolidated Financial Information***

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

| Particulars | Six months period ended September 30, 2024 | Fiscal | | |
|---|---|---|---|---|
| | | 2024 | 2023 | 2022 |
| | *(in ₹ million)* | | | |
| Net cash generated from / (used in) operating activities | 199.56 | 974.57 | 249.59 | (38.26) |
| Net cash generated from / (used in) investing activities | 0.77 | (280.83) | (11.15) | (3.56) |

| | | | | |
|---|---|---|---|---|
| Net cash generated from / (used in) financing activities | (16.26) | (288.98) | (175.65) | 48.38 |
| **Cash and cash equivalents at the end of the year** | 184.07 | 404.76 | 62.80 | 6.56 |

*Operating Activities*

*Six months period ended September 30, 2024*

Our net cash generated from operating activities was ₹199.56 million in six months period ended September 30, 2024. Our profit before tax was ₹ 393.33 million, which was primarily adjusted against interest expenses of ₹ 194.32 million and depreciation and amortisation expense of ₹ 46.05 million and partially offset by an interest income of ₹ (25.96) million. Our operating profit before working capital change was ₹597.83 million in six months period ended September 30, 2024. The adjustments in working capital in six months period ended September 30, 2024 primarily consisted of outflow from (i) inventories of ₹669.08 million, (ii) trade receivables of ₹632.74 million, (iii) financial and other current assets of ₹92.30 million, (iv) trade payables of ₹539.86 million, (v) current and non-current provisions of ₹8.33 million which was primarily offset by inflows from, (i) financial and other current liabilities of ₹73.55million and (ii) working capital loan ₹1,498.68 million. Cash generated in operating activities was ₹ 240.77 million and Income tax paid (net of refund) was ₹ 41.21 million.

*Fiscal 2024*

Our net cash generated from operating activities was ₹ 974.57 million in Fiscal 2024. Our profit before tax was ₹ 573.23 million, which was primarily adjusted against interest expense of ₹ 239.27 million and depreciation and amortisation expense of ₹ 36.54 million and primarily offset by an interest income of ₹ (26.95) million. Our operating profit before working capital change was ₹ 813.95 million in Fiscal 2024. The adjustments in working capital in Fiscal 2024 primarily consisted of outflow from (i) inventories of ₹1,792.67 million, (ii) trade receivables of ₹ 257.62 million, (iii) financial and other current assets of ₹ 236.68 million, (iv) financial and other current liabilities of ₹335.37 million which was partially offset by inflows from (i) trade payables of ₹737.11 million, (ii) current and non-current provisions of ₹23.79 million and (iii) working capital loan ₹ 2,070.62 million. Cash generated in operating activities was ₹1,024.75 million and Income tax paid (net of refund) was ₹ 50.18 million.

*Fiscal 2023*

Our net cash generated from operating activities was ₹249.59 million in Fiscal 2023. Our profit before tax was ₹ 354.19 million, which was primarily adjusted against interest expense of ₹ 118.41 million and depreciation and amortisation expense of ₹ 27.80 million and primarily offset by an interest income of ₹ (12.03) million. Our operating profit before working capital change was ₹487.41 million in Fiscal 2023. The adjustments in working capital in Fiscal 2023 primarily consisted of outflow from (i) inventories of ₹222.56 million, (ii) trade receivables of ₹489.61 million, (iii) other financial and other current assets of ₹ 40.66 million, and (iv) trade payables of ₹9.67 million which was partially offset by inflows from (i) other financial and other current liabilities of ₹ 112.35 million, (ii) working capital loan of ₹ 443.13 million, and (iii) current and non-current provisions of ₹13.03 million. Cash generated in operating activities was ₹ 279.51 million and income tax paid (net of refund) was ₹ 29.91 million.

*Fiscal 2022*

Our net cash (used in) operating activities was ₹ (38.26) million in Fiscal 2022. Our profit before tax was ₹ 242.45 million, which was primarily adjusted against interest expense of ₹ 82.21 million and depreciation and amortisation expense of ₹ 22.05 million and partially offset by an interest income of ₹ (9.01) million. Our operating profit before working capital change was ₹ 334.73 million in Fiscal 2022. The adjustments in working capital in Fiscal 2022 primarily consisted of outflow from (i) inventories of ₹190.23 million, (ii) trade receivables of ₹ 25.80 million (iii) trade payables of ₹248.94 million (iv) financial and other current assets of ₹ 0.13 million and (v) working capital loan ₹154.82 million, which was partially offset by inflows from (i) current and non-current provisions of ₹ 1.92 million, (ii) financial and other current liabilities of ₹267.13 million. Cash used in operating activities was ₹ 13.51 million and Income tax paid (net of refund) was ₹ 24.75 million.

*Investing Activities*

*Six months* period *ended September 30, 2024*

Our net cash generated from investing activities was ₹ 0.77 million in six months period ended September 30, 2024. This was primarily due to interest income of ₹25.96 million which was partially offset by payment for purchase of property, plant and equipment, intangible assets including capital work in progress of ₹ 25.19 million.

*Fiscal 2024*

Our net cash used in investing activities was ₹ (280.83) million in Fiscal 2024. This was primarily due to payment for purchase of property, plant and equipment, intangible assets including capital work in progress ₹ (240.28) million and purchase of mutual fund investments of ₹ (67.50) million, which was partially offset by interest income of ₹26.95 million.

*Fiscal 2023*

Our net cash used in investing activities was ₹ (11.15) million in Fiscal 2023. This was primarily due to payment for purchase of property, plant and equipment, intangible assets including capital work in progress of ₹ (23.18) million, which was partially offset by interest income on deposits of ₹ 12.03 million.

*Fiscal 2022*

Our net cash used in investing activities was ₹ (3.56) million in Fiscal 2022. This was primarily due to payment for purchase of property, plant and equipment, intangible assets including capital work in progress of ₹ (12.57) million, which was partially offset by interest income on deposits of ₹ 9.01 million.

*Financing Activities*

*Six months period ended September 30, 2024*

Our net cash used in financing activities was ₹ (16.26) million in the six months period ended September 30, 2024. This was primarily due to repayment of long term borrowings of ₹ (35.77) million, payment of lease rentals of ₹ (12.85) million and finance cost of ₹ (194.32) million which was partially offset by proceeds from long term borrowings of ₹ 226.67 million.

*Fiscal 2024*

Our net cash used in financing activities was ₹ (288.98) million in Fiscal 2024. This was primarily due to repayment of long term borrowings of ₹ (30.07) million, payment of lease rentals of ₹ (19.64) million and finance cost of ₹ (239.27) million.

*Fiscal 2023*

Our net cash used in financing activities was ₹ (175.65) million in Fiscal 2023. This was primarily due to repayment of long term borrowings of ₹ (40.05) million, payment of lease rentals of ₹ (20.88) million, and finance cost of ₹ (118.41) which was partially offset by proceeds from long term borrowings of ₹ 3.65 million and proceeds from issue of equity shares of ₹ 0.05 million.

*Fiscal 2022*

Our net cash generated financing activities was ₹48.38 million in Fiscal 2022. This was primarily due to proceeds from long term borrowings of ₹114.50 million and proceeds from issue of equity shares of ₹76.17 million which was partially offset by repayment of long term borrowings of ₹ (49.25) million, payment of lease rentals of ₹ (10.33) million and finance cost of ₹(82.21) million.

**Indebtedness**

As of September 30, 2024, we had working capital borrowings of ₹ 4,086.20 million, with a debt-to-equity ratio of 2.53 as per the Restated Consolidated Financial Information. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. For further information on our agreements governing our outstanding indebtedness, see "*Financial Indebtedness*" on page 316.

**Contractual Obligations**

Our Company has no contractual obligations as of September 30, 2024.

**Contingent Liabilities**

The following table sets forth the principal components of our contingent liabilities as of September 30, 2024, as per the Restated Consolidated Financial Information:

*(₹ in million)*

| Particulars | Amount as at September 30, 2024 |
|---|---|
| Income tax (CIT Appeals) | 0.57 |
| GST (ACST Appeals) | 108.47 |

**Off-Balance Sheet Arrangements**

Our Company has no off balance sheet arrangements as on the date of this Draft Red Herring Prospectus.

**Related Party Transactions**

We enter into various transactions with related parties. For further information see "*Financial Statements – Note 38 Related Party Disclosures*" on page 273.

**Quantitative and Qualitative Disclosures about Market Risk**

Our principal financial liabilities comprise of borrowings, lease liabilities, trade payables, employee related payables, security deposits, dividend payable and remuneration to directors payable. These financial liabilities are directly derived from its operations. Our principal financial assets include investments, trade receivables, security deposits, prepaid expenses, other bank balances and cash and cash equivalents.

We are exposed to credit risk, liquidity risk and market risk. Our senior management oversees the management of these risks. Our senior management ensures that our financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our policies and risk objectives.

***Credit Risk***

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables to customers, deposits. The Company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- bank balances other than cash and cash equivalents
- trade receivables, and
- Other financial assets

Credit risk on cash and cash equivalents and bank deposits and other financial assets is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Other financial assets measured at amortised cost includes security deposits and trade receivables. Credit risk related to trade receivable and other financial assets is managed by monitoring the recoverability of such amounts continuously and monitoring the credit worthiness of the counterparties.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company's manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the balance sheet date:

*(₹ in Million)*

| September 30, 2024 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 4,086.20 | 781.49 | - | 4,867.68 |
| Lease liabilities | 26.92 | 54.51 | - | 81.43 |
| Trade payables | 301.30 | - | - | 301.30 |
| Other financial liabilities | 158.44 | - | - | 158.44 |
| Non current other financial liabilities | - | 6.72 | | 6.72 |
| **Total** | **4,572.87** | **842.71** | **-** | **5,415.58** |

*(₹ in Million)*

| March 31, 2024 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non – derivatives** | | | | |
| Borrowings* | 3,096.33 | 81.77 | - | 3,178.10 |
| Lease liabilities | 26.36 | 67.92 | - | 94.28 |
| Trade payables | 841.16 | - | - | 841.16 |
| Other financial liabilities | 95.87 | - | - | 95.87 |
| Non current other financial liabilities | - | 4.07 | | 4.07 |

| March 31, 2024 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Total** | **4,059.71** | **153.77** | **-** | **4,213.49** |

*(₹ in Million)*

| March 31, 2023 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 1,006.24 | 131.31 | - | 1,137.55 |
| Lease liabilities | 18.43 | 65.21 | - | 83.64 |
| Trade payables | 104.05 | - | - | 104.05 |
| Other financial liabilities | 409.90 | 1.62 | - | 411.52 |
| **Total** | **1,538.61** | **198.14** | **-** | **1,736.75** |

*(₹ in Million)*

| March 31, 2022 | Less than 1 year | 1-5 year | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings* | 571.97 | 158.86 | - | 730.83 |
| Lease liabilities | 11.95 | 6.94 | - | 18.89 |
| Trade payables | 113.72 | - | - | 113.72 |
| Other financial liabilities | 10.26 | 4.03 | - | 14.29 |
| **Total** | **707.90** | **169.82** | **-** | **877.73** |

** Maturities includes interest on borrowings.*

***Market Risk***

*Price Risk*

The Company's exposure to price risk arises from investments held and classified in the financial statements at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

**Sensitivity Analysis**

The table below summarises the impact of increase/decrease of the index on the Company's profit for the year:

*(₹ in Million)*

| | As at September 30, 2024 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| **Mutual funds** | | | | |
| Net assets value – increase by 100 bps | 0.74 | 0.70 | - | - |
| Net assets value – decrease by 100 bps | (0.74) | (0.70) | - | - |

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk through its services from its group companies in foreign currencies.

For further information, see "*Restated Financial Information – Note 43 Financial risk management objectives and policies*" on page 284.

## Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for asset acquisition. For the six months period ended September 30, 2024, Fiscals 2024, 2023 and 2022 and, our capital expenditures (comprising of purchase of computers, office equipment, right of use for the building, furniture and fixture) were ₹ 25.19 million, ₹ 247.27 million, ₹ 12.16 million and ₹ 6.40 million, respectively as per our Restated Consolidated Financial Information. The following table sets forth additions to property, plant and equipment by category of expenditure, for the fiscals indicated below:

*(in ₹ million)*

| Particulars | As at and for the six months period ended September 30, 2024 | As at and for Fiscal 2024 | As at and for Fiscal 2023 | As at and for Fiscal 2022 |
|---|---|---|---|---|
| Office Equipment | 2.16 | 2.38 | 5.04 | 2.88 |
| Computer | 1.27 | 3.10 | - | 0.00 |
| Furniture & Fixtures | 3.25 | 3.19 | 0.14 | 0.08 |
| Building | 18.37 | 26.42 | 2.59 | 2.37 |

| Particulars | As at and for the six months period ended September 30, 2024 | As at and for Fiscal 2024 | As at and for Fiscal 2023 | As at and for Fiscal 2022 |
|---|---|---|---|---|
| Leasing Asset – Computer | - | 212.17 | - | 6.39 |
| Vehicle | 0.14 | - | 4.39 | 0.85 |

**Change in accounting policies**

Other than as disclosed in the Restated Consolidated Financial Information, there have been no changes in accounting policies for the six months period ended September 30, 2024, and Fiscals 2024, 2023 and 2022.

**Significant Economic Changes**

Other than as described above under the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*," to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

**Unusual or Infrequent Events of Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

**Known Trends or Uncertainties**

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*-Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 298. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

**Future Relationship Between Cost and Income**

Other than as described in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

**New products, Services or Business Verticals**

Other than as described in "*Our Business*" on page 169, there are no new offerings or business verticals in which we operate.

**Seasonality of Business**

Given the nature of our business operations, our business is not seasonal in nature.

**Competitive Conditions**

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 169, 112 and 25, respectively, for further information on competitive conditions that we face.

**Reservations, Qualifications and Adverse Remarks Included by Auditors**

There are no reservations, qualifications and adverse remarks included by the Statutory Auditors in the Restated Consolidated Financial Information.

**Significant Developments after September 30, 2024**

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft 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:

*Conversion of our Company from private limited to public limited*

Pursuant to resolution passed by our Shareholders dated October 23, 2024 and as approved by Registrar of the Company w.e.f. November 20, 2024, our Company has been converted from private limited company into a public limited company including adoption of new memorandum of association and new articles of association as applicable to a public company in place of existing memorandum of association and articles of association of our Company.

*Increase in authorised share capital and Split of Equity Shares*

Pursuant to resolution passed by our Shareholders dated November 22, 2024, the authorised share capital was increased from ₹ 2,00,00,000 divided in 20,00,000 equity shares of ₹ 10 to ₹ 25,00,00,000/- (Rupees twenty-five crores only) divided into 2,50,00,000 (two crores and fifty lakhs only) equity shares of face value ₹ 10/- (Rupees ten only) each with effect from November 22, 2024. Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the authorised share capital of our Company, being 25,000,000 equity shares of ₹ 10 each was split into 125,000,000 Equity Shares of ₹ 2 each, and the issued, subscribed and paid-up equity share capital of our Company, being 38,776 equity shares of ₹ 10 each was split into 193,880 Equity Shares of ₹ 2 each. For further details, refer to "*Capital Structure*" on page 72.

*Bonus Issue*

Pursuant to a resolution passed by our Board dated December 4, 2024 and a resolution passed by our Shareholders dated December 5, 2024, our Company issued shares by way of bonus issue in the ratio of 500 Equity Shares for every one Equity Share of face value of ₹2 each.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at six months period ended September 30, 2024, on the basis of amounts derived from the Restated Consolidated Financial Information and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Restated Consolidated Financial Information*" and "*Risk Factors*" on pages 295, 229 and 25, respectively.

*(₹ in million, except ratios)*

| Particulars | Pre-Offer (as of September 30, 2024) | Post Offer* |
|---|---|---|
| **Debt** | | |
| Non-current – Borrowings *(Including Current Maturities of Non-Current – Borrowings)* (A) | 903.49 | [●] |
| Current – Borrowings (B) | 4,086.20 | [●] |
| **Total Borrowings (A+B = C)** | **4,989.69** | [●] |
| Equity share capital (D) ** | 0.39 | [●] |
| Other equity (E) *** | 1,975.67 | [●] |
| **Total Equity (D+E = F)** | **1,976.06** | [●] |
| **Debt / Equity Ratio (C/F = G)** | 2.53 | [●] |
| **Non-current – Borrowings / Total Equity (A/F = H)** | 0.46 | [●] |
| **Current – Borrowings / Total Equity (B/F=I)** | 2.07 | [●] |

*As certified by our Statutory Auditors, pursuant to their certificate dated December 14, 2024.*

* *These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been provided in the statement above. To be updated upon finalisation of the Offer Price.*

** *Pursuant to a resolution passed by our Board dated December 3, 2024 and a resolution passed by our Shareholders dated December 3, 2024, the face value of the equity shares was split from ₹ 10 per equity share to ₹ 2 per Equity Share. Accordingly, the issued, subscribed and paid-up equity share capital of our Company, being 38,776 equity shares of ₹ 10 each was split into 193,880 Equity Shares of ₹ 2 each. Further, pursuant to the Shareholder's resolution passed at the Extra-ordinary General Meeting held on December 5, 2024, our Company issued 500 bonus Equity Shares of face value ₹ 2 each for every one Equity Share of face value ₹ 2 each held by our Shareholders as on December 4, 2024.*

*** *Other equity is excluding non controlling interest.*

## FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail credit facilities in the ordinary course of business for the purposes of *inter alia* working capital and other business requirements. These credit facilities include, *inter alia*, secured and unsecured overdraft facilities and bank guarantees and secured term loans.

Our Board is empowered to borrow money in accordance with Sections 179 and 180 of the Companies Act and our Articles of Association. For details regarding the borrowing powers of our Board, see "*Our Management-Borrowing Powers*" on page 211.

The details of aggregate outstanding borrowings of our Company and our Subsidiaries as on September 30, 2024 are set forth below:

*(in ₹ million)*

| Category of borrowings | Sanctioned amount as on September 30, 2024 (in ₹ million)* | Outstanding amount as on September 30, 2024 (in ₹ million)* |
|---|---|---|
| **Borrowings of the Company** | | |
| ***Secured borrowings*** | | |
| Term loans | 185.31 | 104.62 |
| Working capital facility | 3,515.00 | 2,949.72 |
| **Total (A)** | **3,700.31** | **3,054.35** |
| | | |
| ***Unsecured borrowings*** | | |
| Working capital facilities | 299.90 | 213.25 |
| **Total (B)** | **299.90** | **213.25** |
| | | |
| **Borrowings of the Subsidiaries** | | |
| ***Secured borrowings*** | | |
| Term loans | Nil | Nil |
| Working capital facility | 1,465.10 | 1,136.47 |
| **Total (C)** | **1,465.10** | **1,136.47** |
| | | |
| ***Unsecured borrowings*** | | |
| Unsecured loan | NA[$] | 585.62 |
| **Total (D)** | **NA[$]** | **585.62** |
| | | |
| **Total borrowings (A + B + C+D)** | **5,465.30** | **4,989.69** |

* *As certified by our Statutory Auditors, pursuant to their certificate dated December 14, 2024.*

[&] *Unsecured loan from Amit Midha, the Non-Executive Non-Independent Director of our Company to the Subsidiary, namely Electronics Bazaar FZC.*

For further details of our outstanding borrowings as on September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, see "*Restated Consolidated Financial Information*" on page 229.

In relation to the Offer, we have obtained the necessary consents from the lenders, required under the relevant loan documentation, for undertaking activities in relation to the Offer and in connection thereto.

Set forth below is a brief summary of our aggregate sanctioned and outstanding borrowings on a consolidated basis (Company and its Subsidiaries) for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

*(₹ in million)*

| Name of the entity | Name of the lender | Date of sanction letter | Type of borrowing | Fiscal 2024 | | | | Fiscal 2023 | | | | Fiscal 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening balance as at April, 2023 | Closing balance as at March 31, 2024 | Amount repaid during Fiscal 2024 | New loans sanctioned during Fiscal 2024 | Opening balance as at April, 2022 | Closing balance as at March 31, 2023 | Amount repaid during Fiscal 2023 | New loans sanctioned during Fiscal 2023 | Opening balance as at April, 2021 | Closing balance as at March 31, 2022 | Amount repaid during Fiscal 2022 | New loans sanctioned during Fiscal 2022 |
| GNG Electronics Limited | HDFC Bank Limited | August 17, 2022 | Emergency credit line guarantee scheme | 80.11 | 65.15 | 14.96 | Nil | 94.08 | 80.11 | 13.97 | Nil | Nil | 94.08 | 0.92 | 95.00 |
| GNG Electronics Limited | Axis Bank Limited | December 24, 2021 | Emergency credit line guarantee scheme | 73.98 | 59.75 | 14.24 | Nil | 84.38 | 73.98 | 533.10 | 522.70 | 39.90 | 84.38 | 0.52 | 45.00 |
| GNG Electronics Limited | HDFC Bank Limited | May 1, 2022 | Auto premium loan | 2.97 | 2.10 | 0.87 | Nil | Nil | 2.97 | 0.68 | 3.65 | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | HDFC Bank Limited | February 23, 2022 | Cash credit / working capital demand loan | 331.12 | 381.09 | 1,541.43 | 1,591.40 | 325.01 | 331.12 | 1,035.29 | 1,041.40 | 321.56 | 325.01 | 640.75 | 644.20 |
| GNG Electronics Limited | HDFC Bank Limited | February 23, 2022 | Purchase bill discount | 97.62 | 278.67 | 118.94 | 300.00 | Nil | 97.62 | 202.38 | 300.00 | Nil | Nil | Nil | Nil |
| Electronics Bazaar FZC | HDFC Bank Limited | August 6, 2023 | Standby letter of credit | 199.58 | 600.04 | 299.54 | 700.00 | Nil | 199.58 | 741.82 | 941.40 | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Axis Bank Limited | July 25, 2022 | Cash credit | 323.85 | 316.40 | 7.44 | Nil | 222.12 | 323.85 | 420.97 | 522.70 | 299.86 | 222.12 | 77.74 | Nil |
| GNG Electronics Limited | CITI Bank | July 18, 2023 | Cash credit / working capital demand loan | Nil | 260.18 | 189.82 | 450.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Standard Chartered Bank | August 9, 2023 | Cash credit / working capital demand loan | Nil | 344.98 | 55.02 | 400.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | The Federal Bank Limited | September 25, 2023 | Working capital demand loan | Nil | 139.27 | 120.73 | 260.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | DBS Bank India Limited | October 28, 2023 | Cash credit / working capital demand loan | Nil | 57.51 | 42.49 | 100.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| Name of the entity | Name of the lender | Date of sanction letter | Type of borrowing | Fiscal 2024 | | | | Fiscal 2023 | | | | Fiscal 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening balance as at April, 2023 | Closing balance as at March 31, 2024 | Amount repaid during Fiscal 2024 | New loans sanctioned during Fiscal 2024 | Opening balance as at April, 2022 | Closing balance as at March 31, 2023 | Amount repaid during Fiscal 2023 | New loans sanctioned during Fiscal 2023 | Opening balance as at April, 2021 | Closing balance as at March 31, 2022 | Amount repaid during Fiscal 2022 | New loans sanctioned during Fiscal 2022 |
| GNG Electronics Limited | DBS Bank India Limited | October 28, 2023 | Purchase bill discount | Nil | 166.92 | 33.08 | 200.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Yes Bank Limited | December 22, 2023 | Cash credit / working capital demand loan | Nil | 176.47 | 192.76 | 350.00 | 39.85 | Nil | 39.85 | Nil | Nil | 39.85 | 10.15 | 50.00 |
| GNG Electronics Limited | RBL Bank Limited | December 12, 2023 | Working capital demand loan | Nil | 140.08 | 219.92 | 360.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Cholamandalam Investment and Finance Company Limited | December 30, 2021 | Working capital demand loan | 97.38 | Nil | 97.38 | Nil | 49.88 | 97.38 | 52.51 | 100.00 | Nil | 49.88 | 0.12 | 50.00 |
| GNG Electronics Limited | Profectus Capital Private Limited | June 14, 2021 | Working capital demand loan | Nil | Nil | Nil | Nil | 19.48 | Nil | 19.48 | Nil | Nil | 19.48 | 0.52 | 20.00 |
| GNG Electronics Limited | Vivriti Capital Private Limited | September 28, 2022 | Working capital demand loan | 74.70 | Nil | 74.70 | Nil | 20.03 | 74.70 | 45.32 | 100.00 | Nil | 20.03 | 237.50 | 257.53 |
| GNG Electronics Limited | Aditya Birla Capital Limited | February 13, 2023 | Working capital demand loan | 49.57 | Nil | 49.57 | Nil | Nil | 49.57 | 0.43 | 50.00 | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Hero Fincorp Limited | July 31, 2022 | Working capital demand loan | 48.19 | Nil | 48.19 | Nil | Nil | 48.19 | 1.81 | 50.00 | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | TVS Finance | August 22, 2022 | Working capital demand loan | 18.33 | Nil | 18.33 | Nil | Nil | 18.33 | 41.67 | 60.00 | Nil | Nil | Nil | Nil |
| GNG Electronics Limited | Centrum Financial Services Limited | September 21, 2021 | Working capital demand loan | 49.51 | Nil | 49.51 | Nil | 33.04 | 49.51 | 34.49 | 50.96 | Nil | 33.04 | 16.96 | 50.00 |
| Electronics Bazaar FZC | Emirates Islamic Bank | August 9, 2023 | Working capital demand loan | Nil | 158.46 | 1.28 | 159.74 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Electronics Bazaar FZC | Rak Bank | October 3, 2023 | Working capital demand loan | 54.08 | 76.26 | 57.69 | 79.87 | Nil | 54.08 | 1.84 | 55.93 | Nil | Nil | Nil | Nil |

| Name of the entity | Name of the lender | Date of sanction letter | Type of borrowing | Fiscal 2024 | | | | Fiscal 2023 | | | | Fiscal 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Opening balance as at April, 2023 | Closing balance as at March 31, 2024 | Amount repaid during Fiscal 2024 | New loans sanctioned during Fiscal 2024 | Opening balance as at April, 2022 | Closing balance as at March 31, 2023 | Amount repaid during Fiscal 2023 | New loans sanctioned during Fiscal 2023 | Opening balance as at April, 2021 | Closing balance as at March 31, 2022 | Amount repaid during Fiscal 2022 | New loans sanctioned during Fiscal 2022 |
| GNG Electronics Limited | TATA Capital Limited | January 2, 2023 | Short term loan | Nil | Nil | Nil | Nil | 15.00 | Nil | 115.00 | 100.00 | Nil | 15.00 | 105.00 | 120.00 |
| GNG Electronics Limited | TATA Capital Limited | July 29, 2021 | Emergency credit line guarantee scheme | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 64.16 | Nil | 64.16 | Nil |
| GNG Electronics Limited | TATA Capital Limited | January 2, 2022 | Working capital demand loan | 19.23 | Nil | 19.23 | Nil | 99.80 | 19.23 | 80.57 | Nil | 94.92 | 99.80 | 5.12 | 10.00 |

**Principal terms of the borrowings currently availed by us:**

Brief details of the terms of our various borrowing arrangements are provided below and there may be similar/ additional terms, conditions and requirements under the borrowing arrangements entered into by us with our lenders:

1. ***Interest:*** The term loan and working capital facilities availed by our Company and our Subsidiaries, typically have floating rates of interest linked to a base rate as specified by respective lenders with a spread for the fund-based facilities and commission for non-fund based facilities, which are subject to mutual discussions between the relevant lenders and us.

   ***Tenor:*** The tenor of the working capital facilities availed by our Company typically ranges from a period of 30 days to 3 months and is subject to annual review and renewal by the relevant lender, whereas the term loan facilities availed by our Company typically range between 4 years to 6 years. The tenor of the term loan availed from Tata Capital Limited, is 3 years.

   ***Security:*** The borrowings availed by us are secured by, *inter alia*, the following:

   (a) Corporate / personal guarantees; charge and hypothecation of moveable and immovable assets (present and future); mortgage on certain immovable properties (present and future); and mutual funds;

   (b) first pari passu charge on current assets of our Company in line with other working capital lenders;

   (c) pari passu charge on all receivables and stock of our Company; and

   (d) create a lien on fixed deposits.

   There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

2. ***Re-payment:*** The working capital facilities availed by us are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans availed by us are typically repayable in structured instalments, as per the repayment schedule stipulated in the relevant loan documentation.

   ***Pre-payment:*** Our working capital borrowing and term loan arrangements typically have pre-payment provisions which allow for prepayment of the outstanding amount, subject to the conditions specified in the borrowing arrangements and in certain cases stipulate prepayment charges of up to 4% of the amount being prepaid.

   ***Restrictive Covenants:*** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities. For instance, certain corporate actions for which we require the prior written consent from the relevant lender include:

   (a) effecting any change in ownership, control, management and constitution of our Company;

   (b) effecting any changes to the capital structure or shareholding pattern and key managerial personnel;

   (c) entering into any merger, de-merger, amalgamation, reorganisation or consolidation or formulating any scheme of reconstruction, arrangement or compromise with the creditors;

   (d) making any amendment to the constitutional documents;

   (e) diversification, modernisation or substantial expansion of any of its existing business, operations or project;

   (f) undertake any new project, implement any scheme of expansion or invest in any other entity or change the general nature of business;

   (g) declaring or paying dividend; or

   (h) dispose of the majority of our properties and assets.

3. ***Events of Default:*** The borrowing arrangements entered into by us with the lenders contain certain instances, occurrence of which may result into 'event of default', including:

   (a) failure or delay in making payment/repayment of any principal amount or interest on the relevant due dates;

(b) failure to observe or comply with the terms and conditions, breach of ownership, management, financial or other covenants, breach of representations and warranties under the borrowing arrangements;

(c) utilisation of the facilities or any part thereof for purposes other than as sanctioned by the lender;

(d) change in ownership, management or control of our Company without prior consent of the lender;

(e) any notice or action in relation to actual or threatened liquidation or dissolution or bankruptcy or insolvency against our Company;

(f) any change or threat to change the general nature or scope of the business of our Company;

(g) change in constitutional documents without prior consent of the lender, which is prejudicial to the interests of the lender;

(h) failure to create security within the specified time period under the borrowing arrangements;

(i) breach or default under any other agreement involving borrowing of money by our Company; and

(j) any circumstance or event which would or is likely to prejudicially or have a material adverse effect in any manner the capacity of our Company to repay any loans or any part thereof.

This is an indicative list and there may be additional instances that may amount to an event of default under the various borrowing arrangements entered into by us.

4. ***Consequences of events of default:*** In terms of our borrowing arrangements, as a consequence of occurrence of events of default, our lenders may:

(a) demand immediate repayment and withdraw/cancel the undrawn facility suspend further access/drawdowns, either in whole or in part, of the facility;

(b) impose penal interest;

(c) invoke the corporate guarantees;

(d) appoint a nominee director/observer on the board of directors;

(e) issue a notice for conversion of outstanding loan obligations into equity or other securities;

(f) enforce their security interest; and

(g) disclose details of borrowings and default to regulators/third parties.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

For further details on the principal terms of our borrowings, see "*Restated Consolidated Financial Information*" on page 229 and for further details on financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – We have substantial indebtedness which requires significant cash flows to service and limits our ability to operate freely. Any breach of terms under our financing arrangements or our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and financial condition."* on page 34.

## SECTION VII: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no pending: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; and (iv) any other pending litigation/arbitration proceeding which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below), each involving our Company, Subsidiaries, Directors or Promoters (collectively, the "**Relevant Parties**"). Further, except as disclosed in this section, there are (a) no disciplinary actions (including penalties imposed) initiated by SEBI or a stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this Draft Red Herring Prospectus, including any outstanding action; or (b) pending litigation involving our Group Company which may have a material impact on our Company in the opinion of our Board. Further, as on the date of this Draft Red Herring Prospectus, there are no findings/observations of any inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision.*

*For the purpose of (iv) above, our Board in its meeting held on December 13, 2024 has considered and adopted the Materiality Policy for identification of material outstanding litigation involving Relevant Parties. In accordance with the Materiality Policy:*

*(i)* *all outstanding civil litigation /arbitration proceedings (including claims related to direct and indirect taxes) involving the Relevant Parties in which the aggregate monetary claim made by or against the Relevant Parties is equal to or in excess of (a) 2% of the turnover of our Company as per the Restated Consolidated Financial Information for the preceding financial year; or (b) 2% of the net worth of our Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year; or (c) 5% of the average of the absolute value of the profit/loss after tax of our Company as per the Restated Consolidated Financial Information of the preceding three financial years disclosed in the relevant Offer Documents, whichever is lower ("**Threshold**");*

*2% of the turnover of our Company, as per the Restated Consolidated Financial Information for Fiscal 2024 is ₹ 227.63 million, 2% of the net worth of our Company, as per the Restated Consolidated Financial Information as at March 31, 2024 is ₹ 32.72 million and 5% of the average of absolute value of profit or loss after tax of our Company, as per the Restated Consolidated Financial Information for the last three Fiscals is ₹ 17.75 million. Accordingly, ₹ 17.75 million has been considered as the Threshold.*

*(ii)* *all outstanding civil litigation /arbitration proceedings involving the Relevant Parties wherein the monetary liability is (a) not quantifiable, or (b) which is not equal to or in excess of the Threshold, but the outcome of such a proceeding could, nonetheless, have a material adverse effect on the financial position, business, operations, prospects, or reputation of our Company, in the opinion of our Board;*

*(iii)* *all outstanding civil litigation /arbitration proceedings involving the Relevant Parties wherein the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the Threshold, even though the amount involved in any individual proceeding does not exceed the Threshold.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties or Group Company from third parties (excluding those notices issued by statutory or regulatory or governmental or taxation authorities or notices threatening initiation of criminal action to the Relevant Parties) shall, unless otherwise decided by our Board, not be considered as outstanding litigation until such time the Relevant Party or Group Company is impleaded as a party in proceedings before any judicial or arbitral forum. Further, first information reports (whether cognizance has been taken or not) filed against the Relevant Parties shall be disclosed in this Draft Red Herring Prospectus.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, 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 at the end of the most recent fiscal/period covered in the Restated Consolidated Financial Information. The consolidated trade payables of our Company as on September 30, 2024, was ₹ 301.30 million as per the Restated Consolidated Financial Information. Accordingly, a creditor has been considered 'material' if the amount due to such creditor is equal to or exceeds ₹ 15.07 million (being 5% of the consolidated trade payables of our Company as on September 30, 2024 as per the Restated Consolidated Financial Information). For outstanding dues to any creditor which is a micro, small or medium enterprise, the disclosure will be based on information available with the Company regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.*

*Unless stated to the contrary, all terms defined in a particular litigation disclosure below are for that particular litigation only.*

## A. LITIGATION INVOLVING OUR COMPANY

*Criminal proceedings by our Company*

1. Our Company has filed 19 cases under Section 138 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued by, *inter alia*, its dealers, suppliers, stockists. The aggregate amount involved in these matters is ₹0.92 million. These matters are pending before various forums at various stages of adjudication.

*Criminal proceedings against our Company*

Nil

*Other material proceedings by our Company*

Nil

*Other material proceedings against our Company*

Nil

*Actions by statutory or regulatory authorities against our Company*

Nil

*Tax proceedings involving our Company*

| Nature of case | Number of cases | Amount in dispute/demand (*in ₹ million*)* |
|---|---|---|
| Direct tax | 1 | 0.57 |
| Indirect tax | 6 | 108.47 |
| **Total** | 7 | 109.04 |

*To the extent quantifiable.

Set forth hereunder is a description of the material tax matters involving our Company:

1. As per assignment number 47 dated November 10, 2021, under Section 67 of the Maharashtra Goods and Services Tax Act, 2017, the officer visited the Registered Office of our Company to inspect books of accounts of the Company to verify the Input Tax Credit ("**ITC**") claims against domestic purchases made in the financial year 2018-19. In lieu of the observations made during the inspection, intimation dated December 7, 2023 in Form DRC 01A for liability of ₹ 13.27 million was issued to our Company. Thereafter, the Assistant Commissioner of Tax, Maharashtra issued show cause notice dated December 26, 2023 ("**SCN**") to our Company for payment of ₹ 13.27 million. It was alleged in the SCN that ITC was wrongly availed/utilized as a result of which there was an excess claim of ITC and such mismatch of ITC was to be disallowed under Section 16 of the Goods and Services Tax Act, 2017. Thereafter, one of our authorised representative attended the office and requested to fix the liability as per latest GSTR 2A, which was used to ascertain total liability. Subsequently, the Office of the Assistant Commissioner of State Tax, Maharashtra, *vide* an order dated April 25, 2024 ("**Impugned Order**"), directed our Company to pay ₹ 30.24 million (including interest and penalty) on or before July 24, 2024. Our Company filed an appeal dated June 17, 2024 ("**Appeal**") before the Hon'ble Joint Commissioner (Appeals), to set aside the Impugned Order on grounds, *inter alia*, that the officer has ignored the ITC register on the basis of which our Company has computed its ITC. The Appeal is currently pending.

2. As per assignment number 47 dated November 10, 2021, under Section 67 of the Maharashtra Goods and Services Tax Act, 2017, the officer visited the Registered Office of the Company to inspect Books of Accounts of the Company to verify the Input Tax Credit ("**ITC**") claims against domestic purchases made in the financial year 2018-19. In lieu of the observations made during the inspection, intimation dated November 10, 2022 in Form DRC 01A for liability of ₹ 17.34 million was issued. Thereafter, the Assistant Commissioner of Tax, Maharashtra issued show cause notice dated December 26, 2023, ("***SCN***") to our Company for payment of ₹ 23.73 million. It was alleged in the SCN that ITC has been wrongly availed/utilized as a result of which there has been an excess claim of ITC and such mismatch of ITC is liable to be disallowed under Section 16 of the Goods and Services Tax Act. Thereafter, one of our authorised representatives attended the office and requested to fix the liability as per latest GSTR 2A, which has been used to ascertain total liability. Subsequently, the Office of the Assistant Commissioner of State Tax, Maharashtra, *vide* Order dated April 25, 2024 ("**Impugned Order**"), directed our Company to pay ₹ 25.74 million (including interest and penalty) on or before July 24, 2024. Our Company filed an Appeal dated June 17, 2024 ("**Appeal**") before the Hon'ble Joint Commissioner (Appeals), to set aside the Impugned Order and grant a personal hearing on grounds, *inter alia* the officer has ignored the ITC register on the basis of which the Appellant has computed its ITC. The Appeal is currently pending.

3. On comparison of Input Tax Credit ("**ITC**") availed by the Company through GSTR-3B for financial year 2017-18 with the auto response ITC statement (GSTR 2A) and Form GSTR-1 from the corresponding suppliers revealed a difference in the ITC made by the Company. Therefore, a show cause notice dated September 29, 2023, was issued by Assistant Commissioner (ST)(FAC), Nolambur Assessment Circle under Section 73 of the Tamil Nadu GST Act, 2017. Further, the Company was given an opportunity of personal hearing before the Assistant Commissioner (ST), Nandanam, Chennai on December 18, 2023, but no representative of the Company appeared for the hearing. Subsequently, the Office of Commercial Tax Officer Tamil Nadu, vide Order dated December 28, 2023 ("**Impugned Order**"), directed our Company to pay ₹26.99 million (including interest and penalty) on or before January 26, 2024. The Company filed an Appeal dated March 13, 2024 ("**Appeal**"), before the Hon'ble Joint Commissioner (Appeals), to set aside the Impugned Order on grounds that ITC has not been wrongly claimed but claimed under wrong heads due to an accounting error, which has not in any manner resulted in any reduced payment of taxes. The Appeal is currently pending.

## B. LITIGATION INVOLVING OUR SUBSIDIARIES

*Criminal proceedings by our Subsidiaries*

Nil

*Criminal proceedings against our Subsidiaries*

Nil

*Other material proceedings by our Subsidiaries*

Nil

*Other material proceedings against our Subsidiaries*

Nil

*Actions by statutory or regulatory authorities against our Subsidiaries*

Nil

*Tax proceedings involving our Subsidiaries*

| Nature of case | Number of cases | Amount in dispute/demand (*in ₹ million*) |
|---|---|---|
| Direct tax | Nil | Nil |
| Indirect tax | Nil | Nil |
| **Total** | Nil | Nil |

## C. LITIGATION INVOLVING OUR DIRECTORS (*Other than our Promoters*)

*Criminal proceedings by our Directors*

Nil

*Criminal proceedings against our Directors*

Nil

*Other material proceedings by our Directors*

Nil

*Other material proceedings against our Directors*

Nil

*Actions by statutory or regulatory authorities against our Directors*

Nil

*Tax proceedings involving our Directors*

| Nature of case | Number of cases | Amount in dispute/demand (*in ₹ million*) |
|---|---|---|
| Direct tax | 1 | 0.78 |
| Indirect tax | Nil | Nil |
| **Total** | 1 | 0.78 |

*To the extent quantifiable.*

## D. LITIGATION INVOLVING OUR PROMOTERS

*Criminal proceedings by our Promoters*

Nil

*Criminal proceedings against our Promoters*

Nil

*Other material proceedings by our Promoters*

Nil

*Other material proceedings against our Promoters*

Nil

*Actions by statutory or regulatory authorities against our Promoters*

*Nil*

*Disciplinary actions including penalties imposed by SEBI or a stock exchange in the last five Fiscals*

Nil

*Tax proceedings involving our Promoters*

| Nature of case | Number of cases | Amount in dispute/demand *(in ₹ million)** |
|---|---|---|
| Direct tax | 2 | 2.12 |
| Indirect tax | Nil | Nil |
| **Total** | 2 | 2.12 |

**To the extent quantifiable*

## E. LITIGATION INVOLVING OUR GROUP COMPANY WHICH MAY HAVE A MATERIAL IMPACT ON OUR COMPANY

***Litigation involving our Group Company***

Nil

## F. OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 15.07 million, being 5% of the consolidated trade payables of our Company as on September 30, 2024 ("**Material Creditor**") as per the Restated Consolidated Financial Information.

As of September 30, 2024, outstanding dues to micro, small and medium enterprises and other creditors, on a consolidated basis, is as follows:

| Sr. No. | Type of creditor | No. of creditors | Amount involved (in ₹ million) |
|---|---|---|---|
| 1. | Dues to micro, small and medium enterprises** | 2 | 2.74 |
| 2. | Dues to Material Creditors | 2 | 189.17 |
| 3. | Dues to other creditors | 54 | 109.40 |
| | **Total** | **58** | **301.30** |

* *As certified by our Statutory Auditors, pursuant to their certificate dated December 14, 2024.*

** *As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

As on September 30, 2024, there are no Material Creditors to whom our Company has any outstanding overdues.

## G. MATERIAL DEVELOPMENTS

Except as disclosed in "*Management Discussion & Analysis – Significant developments after September 30, 2024*" on page 313, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

# GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below an indicative list of approvals obtained by our Company and its Material Subsidiary which are considered material and necessary for the purpose of undertaking their respective business activities and operations. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. Except as disclosed herein, our Company and its Material Subsidiary has obtained all material consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and regulatory authorities, which are necessary for undertaking their respective business activities and operations. For further details, see "History and Certain Corporate Matters*" on page 196.

*In addition, certain of our material approvals may expire in the ordinary course of business and our Company, as applicable, will make applications to the appropriate authorities for renewal of such key approvals, as necessary.*

*We have also disclosed below (i) the material approvals for which fresh applications/renewal applications have been made by our Company; and (ii) the material approvals for which fresh applications/renewal applications are yet to be made by our Company. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors - Non-compliance with and changes in any of the applicable laws, rules or regulations, including safety, health, environmental and labour laws may have an adverse effect on our business, results of operations and financial condition and cash flows*" on page 38.

*For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page* 191*. For Offer related approvals, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page* 331*, and for incorporation details of our Company, see "History and Certain Corporate Matters – Brief history of our Company" on page* 196*.*

## A. Material approvals in relation to our Company

### I. Material labour/employment related approvals

1. Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 issued by the Employees' Provident Fund Organisation.

2. Registration certificate under the Employees' State Insurance Act, 1948, issued by the Sub-Regional Office, Employees' State Insurance Corporation.

3. Registration certificate under the Maharashtra Shop and Establishments (Regulation of Employment and Conditions of Service) Act, 2017

### II. Material tax related approvals

1. Permanent account number AADCG6133E issued by the Income Tax Department under the Income Tax Act, 1961 ("**IT Act**").

2. Tax Deduction Account Number MUMG16676C, issued by the Income Tax Department, Government of India

3. Goods and services tax registration certificates issued by the State Governments for GST payment in the states/union territories where our business operations are situated. The GST identification number for Maharashtra, where our registered office is located is 27AADCG6133E1ZV.

4. Certificate of registration issued by the Maharashtra Sales Tax Department under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

### III. Material approvals in relation to the business activities of our Company

1. Factory license and registration issued by the Government of Maharashtra, under the Factories Act, 1948.

2. Environment clearances issued by the Central Pollution Board, Ministry of Environment, Forests and Climate Change

3. Consent to establish issued by Maharashtra Pollution Control Board issued under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

4. Consent to operate issued by Maharashtra Pollution Control Board issued under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

5. Authorization under the Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 issued by Maharashtra Pollution Control Board.

6. Importer-Exporter Code from the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India

**IV. Material approvals or renewals applied for but not received**

As on the date of this Draft Red Herring Prospectus, there are no material approvals applied for, including renewal applications, that have not been received by our Company:

**V. Material approvals for which fresh applications/renewal applications are yet to be made**

As on the date of this Draft Red Herring Prospectus, there are no material approvals for which fresh applications/ renewal applications are yet to be made

**B. Material approvals in relation to our Material Subsidiary**

**I. Material tax related approvals of our Material Subsidiary**

1. Electronics Bazaar FZC has been issued a Certificate of Registration for Corporate Tax in the United Arab Emirates, bearing registration number 100013581200001, by the Federal Tax Authority. This certificate confirms that Electronics Bazaar FZC is a registered entity for Corporate Tax purposes within the UAE.

2. Electronics Bazaar FZC has been issued a Certificate of Registration for Value Added Tax in the United Arab Emirates, bearing registration number 100013581200003, by the Federal Tax Authority. This certificate certifies that Electronics Bazaar FZC is a registered entity for Value Added Tax purposes within the UAE.

**II. Material approvals in relation to the business activities of our Material Subsidiary**

1. Certificate of registration bearing no. 11168/reference no. pursuant to Emiri Decree No. 2 of 1995, under the laws of UAE, granted by Government of Sharjah SAIF Zone, dated April 16, 2017.

**III. Material approvals or renewals applied for but not received**

Nil

**IV. Material approvals for which fresh applications/renewal applications are yet to be made**

Nil

**C. Intellectual property related approvals**

For details of the intellectual property held by us, see "*Our Business –Intellectual Property*" on page 189 and for risks associated with our intellectual property, see "*Risk Factors- Our inability to protect any of our intellectual property rights including misappropriation, infringement or passing off of our intellectual property or failure to obtain our trademarks could have an adverse impact on our business*" on page 42.

## GROUP COMPANY

As per the SEBI ICDR Regulations, the term 'group companies', for the purpose of identification and disclosure in the Offer Documents, shall include (i) such companies (other than our Subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Statements

With respect to (ii) above, our Board in its meeting held on December 13, 2024 adopted the Materiality Policy, pursuant to which all companies (other than the Subsidiaries, and the companies categorized under (i) above) shall be considered 'material' and will be disclosed as a Group Company in the Offer Documents if such company is a member of the 'Promoter Group' of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and the Company has entered into one or more transactions with such company during the last completed Fiscal or relevant stub period, if applicable, for which Restated Consolidated Financial Information are being included, which individually or cumulatively in value exceeds 10% of the total consolidated revenue from operations of the Company for the last completed Fiscal or stub period, if applicable as per the Restated Consolidated Financial Information.

Based on the above, our board has identified Electronics Bazar Inc. (USA) as our Group Company:

In terms of the SEBI ICDR Regulations, the following information based on the unaudited financial statements for the last three financial years applicable to our Group Company shall be hosted on the website of our Company:

- reserves (excluding revaluation reserve);
- sales;
- profit after tax;
- earnings per share;
- diluted earnings per share; and
- net asset value. ("**Certain Financial Information**")

Our Company is providing link to the website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on such website does not constitute a part of this Draft Red Herring Prospectus. In accordance with the SEBI ICDR Regulations, details of Group Company are set out below.

***Details of the Group Company***

**1. Electronics Bazar Inc. (USA)**

*Registered office*

The registered office of Electronics Bazar Inc. (USA) is situated at 151 Regal Row, Suite 201, Dallas, TX 75247.

*Financial information*

Certain Financial Information derived from the unaudited financial statements of Electronics Bazar Inc. (USA) for the last three financial years applicable to it are available at https://www.electronicsbazaar.com/investor.

**Litigation**

Our Group Company are not party to any litigation which may have material impact on our Company.

**Common Pursuits**

Our Group Company is engaged in the similar line of business as that of our Company and our Subsidiaries, thereby resulting in certain common pursuits amongst our Group Company, our Company and our Subsidiaries. However, there is no conflict of interest amongst our Group Company, our Company and our Subsidiaries. Our Company and our Subsidiaries have adopted the necessary procedures and practices as permitted by law to address instances of conflict.

**Related business transactions with our Group Company and significance on the financial performance of our Company**

Other than disclosed in "*Summary of the Offer Document – Summary of Related Party Transactions*" and the "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24"* on pages 21 and 273, there are no other related business transactions between our Group Company and our Company which are significant to the financial performance of our Company.

**Nature and extent of interest of our Group Company**

*a)* *Business Interests*

Except in the ordinary course of business and as disclosed in "*Summary of the Offer Document – Summary of Related Party Transactions*" and the "*Restated Consolidated Financial Information – Note* 38 *Related party disclosure in respect of Ind AS 24*" on pages 21 and 273, our Group Company has no business interests in our Company.

*b)* *In the promotion of our Company*

Our Group Company does not have any interest in the promotion of our Company.

*c)* *In the properties acquired by us in the three years preceding this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Group Company is not interested, directly or indirectly, in the properties acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

*d)* *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Company is not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

**Other confirmations**

The equity shares of our Group Company are not listed on any stock exchange. Our Group Company has not made any public / rights / composite issue in the last three years.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

**Authority for the Offer**

The Offer has been authorised pursuant to the resolution passed by our Board dated December 4, 2024 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated December 5, 2024. Further, our Board has taken on record the consent and authorisation of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated December 13, 2024.

The Selling Shareholders have confirmed and approved their participation in the Offer for Sale in relation to the Offered Shares. For further details, see "*The Offer*" on page 58.

This Draft Red Herring Prospectus has been approved by our Board, pursuant to a resolution dated December 14, 2024 for filing with SEBI and the Stock Exchanges.

**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 dated [·] and [·], respectively.

**Prohibition by SEBI, the RBI or other Governmental Authorities**

Our Company, our Subsidiaries, our Directors, our Promoters (the persons in control of our Company and the persons in control of our Corporate Promoter and our Promoter Trust) and the members of the Promoter Group are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Each of the Selling Shareholders severally and not jointly confirm, that it is not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Company, Promoters or Directors have been declared as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders.

**Compliance with the Companies (Significant Beneficial Owners) Rules, 2018**

Each of our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly, confirms that, as on the date of this Draft Red Herring Prospectus, it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them.

**Directors associated with the securities market**

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft 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 ₹30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, of which not more than 50% of the net tangible assets are held as monetary assets;

- Our Company has an average operating profit of at least ₹150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, with operating profit in each of these preceding three years;

- Our Company has a net worth of at least ₹10.00 million in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, calculated on a restated and consolidated basis; and

- Our Company has not changed its name in the last one year immediately preceding the date of filing of this Draft Red Herring Prospectus

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

(*in ₹ million, unless otherwise stated*)

| Description | As at March 31 | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Restated net tangible assets[(1)] (₹ in million) | 1,631.41 | 1,115.95 | 793.57 |
| Restated monetary assets[(2)] (₹ in million) | 749.17 | 274.30 | 211.48 |
| % of restated monetary assets to restated net tangible assets | 45.92% | 24.58% | 26.65% |
| Restated operating profit[(3)] | 755.91 | 440.16 | 310.42 |
| Average operating profit | 502.16 | | |
| Restated net-worth[(4)] | 1,631.41 | 1,115.95 | 793.57 |

***Notes:***

*(1) "Restated Net tangible assets" means the sum of all net assets of the Company as per the Restated Consolidated Financial Information excluding Intangible Assets (as per IND AS -26 or IND AS- 38), as defined under the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015) excluding non controlling interest.*

*(2) "Restated Monetary Assets" means cash in hand, balance with bank in current and deposit account (including bank deposits not considered as cash and cash equivalent and Investment in mutual fund).*

*(3) "Restated Operating Profit" means the profit before finance costs, other income and tax expenses.*

*(4) "Average Operating Profit" means simple average of Restated Operating Profit for the last three financials years.*

*(5) "Restated Net worth" means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, 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 as at period /year end, as per restated financial statement of assets and liabilities of the Company excluding non-controlling interest.*

Our Company has operating profits in each of the Fiscals 2024, 2023 and 2022 in terms of our Restated Financial Information, as indicated in the table above.

Each of the Selling Shareholders has severally and not jointly confirmed its compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus

Further, our Company confirms that it eligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, fulfils requirements set out in Regulation 7(1) of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

(a) 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.

(b) none of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) none of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.

(d) neither our Promoters nor any of our Directors are a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus.

(f) our Company along with Registrar to the Offer has entered into tripartite agreements with NSDL and CDSL, dated October 15, 2024 and October 5, 2024, respectively, for dematerialization of the Equity Shares.

(g) the Equity Shares of our Company held by the Promoters are in the dematerialised form.

(h) all the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of filing of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, BEING MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, IIFL CAPITAL SERVICE LIMITED (*FORMERLY KNOWN AS IIFL SECURITIES LIMITED*) LIMITED AND JM FINANCIAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES BEING OFFERED BY THEM IN THE OFFER FOR SALE, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND EACH OF THE COMPANY AND EACH OF THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

**Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, or the respective websites of our Subsidiaries or of any of the Group Company or of any of the Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and its respective portion of the Offered Shares, and each of the Selling Shareholders, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder, in relation to itself and its portion of the Offered Shares in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to such Selling Shareholder and its portion of Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor 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 otherwise; 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, each of the Selling Shareholders and their respective group company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer in respect of jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to permission from RBI) or systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, 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 Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

**Eligibility and Transfer Restrictions**

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States. Accordingly, the Equity Shares are being offered and sold outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction 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.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

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.

**Eligible Investors**

The Equity Shares are being offered and sold:

i. in the United States to investors that are U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

ii. outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Our Company, the Selling Shareholders, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

**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 offshore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

**Disclaimer clause of BSE Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Disclaimer clause of National Stock Exchange of India Limited**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

**Listing**

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [·] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised 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 the Red Herring Prospectus in accordance with applicable law. 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 three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

The Company shall refund the money raised in the Offer, together with any interest on such money as required under applicable laws, to the Bidders if required to do so for any reason under applicable laws, including due to failure to obtain listing or trading approval or pursuant to any direction or order of SEBI or any other governmental authority. Each Selling Shareholder shall be, severally and not jointly, liable to refund money raised in the Offer, only to the extent of its Offered Shares, together with any interest on such amount as per applicable laws. Provided that the Selling Shareholders shall not be liable or responsible to pay such interest unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Each of the Selling Shareholders, severally and not jointly, undertake to provide such reasonable support, information and documentation in relation to itself and extend reasonable cooperation as may be required by our Company, as required under Applicable Law in relation to their respective Offered Shares, to facilitate the process of listing the Equity Shares on the Stock Exchanges. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company, on behalf of any of the Selling Shareholders, will be adjusted or reimbursed by the Selling Shareholders to our Company, as agreed among our Company and the Selling Shareholders in writing, in accordance with the Offer Agreement and Applicable Law.

**Consents**

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company, the BRLMs, the Registrar to the Offer, lenders to our Company (wherever applicable), 1Lattice, Chartered Engineer, Independent Chartered Account in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, Monitoring Agency, Sponsor Bank(s), Escrow Collection Bank(s), Public Offer Account Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents obtained under (a) have not be withdrawn as on the date of this Draft Red Herring Prospectus.

**Experts**

Except as stated below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received the written consent dated December 14, 2024 from our Statutory Auditors, M/s. Shankarlal Jain & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 13, 2024 on the Restated Consolidated Financial Information; and (ii) the report dated December 13, 2024 on the statement of special tax benefits available to our Company, its shareholders and the Material Subsidiary under the direct and indirect tax laws in India and in United Arab Emirates (in case of the Material Subsidiary), included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act. Our Company has received a written consent dated December 12, 2024 from the Practising Company Secretary, namely, M/s Nishant Bajaj & Associates, Company Secretaries, having the membership number F12990, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013, in respect of certificates issued by them in their capacity as the independent practising company secretary to our Company, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**Capital issue during the previous three years by our Company**

Other than as disclosed in the section titled "*Capital Structure*" on page 72, our Company has not made any capital issuances in the three years preceding the date of this Draft Red Herring Prospectus.

**Capital issue during the previous three years by our listed Group Companies/Subsidiaries/associates**

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries our Group Company are listed on any stock exchange.

**Particulars regarding public or rights issues during the last five years**

Our Company has not made any rights issues or public issues (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis Objects - Public/ rights issue of our Company**

Our Company has not undertaken any public issues or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis Objects – Last public/rights issue of our listed Subsidiaries/Promoters**

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries nor our Corporate Promoter is listed.

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

**Commission, brokerage and selling commission paid on previous issues of the Equity Shares**

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India**

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

**Price information of past issues handled by the BRLMs**

***A. Motilal Oswal Investment Advisors Limited***

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) overseen by Motilal Oswal Investment Advisors Limited:*

| Sr. No. | Issue name | Issue Size (` million) | Issue price (`) | 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. | Niva Bupa Health Insurance Company Limited | NSE | 22,000.00 | 74.00 | November 14, 2024 | 78.14 | NA | NA |
| 2. | Acme Solar Holdings Limited (7) | NSE | 29,000.00 | 289.00 | November 13, 2024 | 251.00 | +8.21% [+4.20%] | NA |
| 3. | P N Gadgil Jewellers Limited | NSE | 11,000.00 | 480.00 | September 17, 2024 | 830.00 | +61.14% [-1.76%] | NA |
| 4. | R K Swamy Limited (6) | BSE | 4,235.60 | 288.00 | March 12, 2024 | 252.00 | -1.30% [+1.86%] | -6.70% [+4.11%] |
| 5. | Happy Forgings Limited | NSE | 10,085.93 | 850.00 | December 27, 2023 | 1000.00 | +14.06% [-1.40%] | +4.44% [+2.04%] |
| 6. | Cello World Limited (5) | NSE | 19,000.00 | 648.00 | November 06, 2023 | 829.00 | +21.92% [+7.44%] | +32.99% [+12.58%] |
| 7. | Updater Services Limited | BSE | 6,400.00 | 300.00 | October 04, 2023 | 299.90 | -13.72% [-1.76%] | +9.05% [+10.80%] |
| 8. | Sai Silks (Kalamandir) Limited | BSE | 12,009.98 | 222.00 | September 27, 2023 | 230.10 | +8.09% [-4.49%] | +25.09% [+7.54%] |
| 9. | Rishabh Instruments Limited | NSE | 4907.83 | 441.00 | September 11, 2023 | 460.05 | +20.12% [-1.53%] | +13.24% [+4.87%] |
| 10. | IKIO Lighting Limited | BSE | 6,065.00 | 285.00 | June 16, 2023 | 391.00 | +44.77% [+4.22%] | +23.84% [+6.44%] |

*Source: www.nseindia.com and www.bseindia.com*

*# BSE as Designated Stock Exchange*

** NSE as Designated Stock Exchange*

*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. *Not applicable – Period not completed.*
5. *A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
7. *A discount of ₹ 27 per Equity Share was offered to Eligible Employees bidding in the employee reservation portion*

2. *Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited:*

| Financial Year | Total no. of IPOs | Total funds raised (` Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | os. of IPOs trading at premium as on 180th calendar days 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% |
| 2024-25 | 3 | 62,000.00 | - | - | - | 1 | - | - | - | - | - | - | - | - |
| 2023-24 | 7 | 62,704.34 | - | - | 2 | - | 1 | 4 | - | - | 1 | - | 2 | 4 |
| 2022-23 | 3 | 16,265.81 | - | - | 1 | - | - | 2 | - | - | 2 | - | - | 1 |

*The information for each of the financial years is based on issues listed during such financial year.*
*Notes: 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.*
*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.*

**B. *IIFL Capital Services Limited* (*formerly known as IIFL Securities Limited*)**

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) overseen by IIFL Capital Services Limited* (formerly known as IIFL Securities Limited)

| Sr. No. | Issue name | Issue Size (` million) | Issue price (`) | Designated Stock Exchange as disclosed in the red herring prospectus filed | 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. | Go Digit General Insurance Limited | 26,146.46 | 272.00 | NSE | May 23, 2024 | 286.00 | +22.83%,[+2.32%] | +30.79%,[+7.54%] | +16.25% [+2.12%] |
| 2. | Awfis Space Solutions Limited | 5,989.25 | 383.00(1) | NSE | May 30, 2024 | 435.00 | +34.36%,[+6.77%] | +100.18%,[+11.25%] | +83.16%,[+7.71%] |
| 3. | Ceigall India Limited | 12,526.63 | 401.00(2) | NSE | August 8, 2024 | 419.00 | -4.89%,[+3.05%] | -14.01%, [0.40%] | N.A. |
| 4. | Unicommerce eSolutions Limited | 2,765.72 | 108.00 | NSE | August 13, 2024 | 235.00 | +109.98%,[+3.23%] | +89.71%,[+0.04%] | N.A. |
| 5. | Ecos (India) Mobility & Hospitality Limited | 6,012.00 | 334.00 | NSE | September 4, 2024 | 390.00 | +42.28%,[+0.20%] | -0.51%,[-3.66%] | N.A. |
| 6. | Bajaj Housing Finance Limited | 65,600.00 | 70.00 | NSE | September 16, 2024 | 150.00 | +99.86%,[-1.29%] | +89.23%,[-2.42%] | N.A. |
| 7. | Waaree Energies Limited | 43,214.40 | 1,503.00 | NSE | October 28, 2024 | 2,500.00 | 68.05%, [-0.59%] | N.A. | N.A. |
| 8. | Sagility India Limited | 21,064.04 | 30.00(3) | NSE | November 12, 2024 | 31.06 | +42.90%,[+3.18%] | N.A. | N.A. |
| 9. | Zinka Logistics Solutions Limited | 11,147.22 | 273.00(4) | BSE | November 22, 2024 | 279.05 | N.A. | N.A. | N.A. |
| 10. | NTPC Green Energy Limited | 1,00,000.00 | 108.00(5) | NSE | November 27, 2024 | 111.50 | N.A. | N.A. | N.A. |

*Source: www.nseindia.com and www.bseindia.com*
*# BSE as Designated Stock Exchange*
** NSE as Designated Stock Exchange*
*Notes:*

1. *A discount of Rs. 36 per equity share was offered to eligible employees bidding in the employee reservation portion.*
2. *A discount of Rs. 38 per equity share was offered to eligible employees bidding in the employee reservation portion.*
3. *A discount of Rs. 2 per equity share was offered to eligible employees bidding in the employee reservation portion.*
4. *A discount of Rs. 25 per equity share was offered to eligible employees bidding in the employee reservation portion.*

5. *A discount of Rs. 5 per equity share was offered to eligible employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues handled by IIFL Capital Services Limited (formerly known as IIFL Securities Limited):*

| Financial Year | Total no. of IPOs | Total funds raised (` Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | os. of IPOs trading at premium as on 180th calendar days 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 | 12 | 1,06,650.92 | - | - | 4 | - | 4 | 4 | - | - | 3 | 1 | 4 | 4 |
| 2023-24 | 15 | 1,54,777.80 | - | - | 4 | 3 | 4 | 4 | - | - | 1 | 5 | 4 | 5 |
| 2024-25 | 12 | 3,43,710.46 | - | - | 1 | 5 | 3 | 1 | - | - | - | 3 | - | 1 |

*Source: www.nseindia.com; www.bseindia.com, as applicable*
*Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.*
*NA means Not Applicable.*

### *C. JM Financial Limited*

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) overseen by JM Financial Limited:*

| Sr. No. | Issue name | Issue Size (` million) | Issue price (`) | 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. | Zinka Logistics Solutions Limited[# 7] | 11,147.22 | 273.00 | November 22, 2024 | 279.05 | Not Applicable | Not Applicable | Not Applicable |
| 2. | ACME Solar Holdings Limited*[11] | 29,000.00 | 289.00 | November 13, 2024 | 251.00 | -6.02% [4.20%] | Not Applicable | Not Applicable |
| 3. | Western Carriers (India) Limited* | 4,928.80 | 172.00 | September 24, 2024 | 171.00 | -20.69% [-6.03%] | Not Applicable | Not Applicable |
| 4. | Bajaj Housing Finance Limited* | 65,600.00 | 70.00 | September 16, 2024 | 150.00 | 99.86% [-1.29%] | 89.23% [-2.42%] | Not Applicable |
| 5. | Baazar Style Retail Limited[#10] | 8,346.75 | 389.00 | September 06, 2024 | 389.00 | -1.32% [0.62%] | -16.11% [-0.28%] | Not Applicable |
| 6. | Brainbees Solutions Limited[*9] | 41,937.28 | 465.00 | August 13, 2024 | 651.00 | 37.49% [3.23%] | 21.39% [0.04%] | Not Applicable |
| 7. | Ceigall India Limited*[8] | 12,526.63 | 401.00 | August 08, 2024 | 419.00 | -4.89% [3.05%] | -14.01% [0.40%] | Not Applicable |
| 8. | Stanley Lifestyles Limited[#] | 5370.24 | 369.00 | June 28, 2024 | 499.00 | 55.96% [2.91%] | 31.29% [7.77%] | Not Applicable |
| 9. | Le Travenues Technology Limited[#] | 7401.02 | 93.00 | June 18, 2024 | 135.00 | 86.34% [4.42%] | 67.63% [7.23%] | 65.59% [6.25%] |
| 10. | TBO Tek Limited* | 15,508.09 | 920.00 | May 15, 2024 | 1,426.00 | 69.94% [5.40%] | 84.90% [9.67%] | 85.23% [8.77%] |

*Source: www.nseindia.com and www.bseindia.com*
*[#] BSE as Designated Stock Exchange*
** NSE as Designated Stock Exchange*
*Notes:*

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*

*6. Restricted to last 10 issues.*
*7. A discount of Rs. 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
*8. A discount of Rs. 38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
*9. A discount of Rs. 44 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
*10. A discount of Rs. 35 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
*11. A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*

*2. Summary statement of price information of past issues handled by JM Financial Limited:*

| Financial Year | Total no. of IPOs | Total funds raised (` Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | os. of IPOs trading at premium as on 180th calendar days 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% |
| 2024-2025 | 10 | 2,01,766.03 | - | - | 4 | 4 | 1 | - | - | - | - | 2 | - | - |
| 2023-2024 | 24 | 2,88,746.72 | - | - | 7 | 4 | 5 | 8 | - | - | 5 | 7 | 5 | 7 |
| 2022-2023 | 11 | 3,16,770.53 | - | 1 | 3 | - | 5 | 2 | - | 2 | 2 | 2 | 3 | 2 |

**Track record of the Book Running Lead Managers**

For details regarding the track record of the BRLMs, as specified in circular bearing reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

| Name | Website |
|---|---|
| Motilal Oswal Investment Advisors Limited | www.motilaloswalgroup.com |
| IIFL Capital Services Limited (formerly known as IIFL Securities Limited) | www.iiflcap.com |
| JM Financial Limited | www.jmfl.com |

For further details in relation to the BRLMs, please see "*General Information – Book Running Lead Managers*" on page 65.

**Mechanism for redressal of investor grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Bidders can contact the Company Secretary and the Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non- credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non- receipt of funds by electronic mode. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall also enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, 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 BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Pursuant to the SEBI ICDR Master Circular and the circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**"), (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations) SEBI 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.

In terms of SEBI ICDR Master Circular and subsequent circulars issued by the SEBI, as may be applicable, 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, in terms of SEBI ICDR Master Circular read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, 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 case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working

Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, pursuant to March 2021 Circular (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), 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<br>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<br>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 BRLMs 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.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, for grievance redressal contact details of the BRLMs pursuant to the March 2021 Circular, see "*Offer Procedure– General Instructions*" on page 367.

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

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer, the BRLMs 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.

**Disposal of Investor Grievances by our Company**

Our Company shall obtain SCORES authentication and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, SEBI circular (SEBI/HO/OIAE/IGRD/P/CIR/2022/0150) dated November 7, 2022 the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023 and the SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2023/183) dated December 1, 2023, in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee to review and redress the shareholders' and investors' grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please see the section titled "*Our Management – Stakeholders' Relationship Committee*" on page 216. Our Company has also appointed Sarita Tufani Vishwakarma, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, please see the section titled "*General Information*" on page 64.

In the three years preceding the date of this Draft Red Herring Prospectus, our Company has not received any investor complaints. As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints in relation to our Company.

The Selling Shareholders has authorised the Company Secretary and Compliance Officer of our 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 or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be five 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.

As on date of this Draft Red Herring Prospectus, none of our Subsidiaries is listed on any stock exchange.

**Other confirmations**

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION VIII - OFFER INFORMATION

## TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

### The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The fees and expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner agreed to by our Company, the Selling Shareholders and be in accordance with the applicable law. Details in relation to Offer expenses are specified in "*Objects of the Offer – Offer Related Expenses*", on page 94.

### Ranking of the Equity Shares

The Equity Shares being issued, offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. 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*" on page 377.

### Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment (pursuant to transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of the Articles of Association"* on pages 228 and 377, respectively.

### Face Value, Floor Price, Price Band and Offer Price

The face value of the Equity Shares is ₹2. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs, in compliance with the SEBI ICDR Regulations, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, 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 websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in compliance with the SEBI ICDR Regulations, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

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 applicable disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;
- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation and splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 337.

**Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- tripartite agreement dated October 15, 2024, entered into amongst our Company, NSDL and Registrar to the Offer; and
- tripartite agreement dated October 5, 2024, entered into amongst our Company, CDSL and Registrar to the Offer.

**Market lot and Trading lot**

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 355.

**Joint holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

**Jurisdiction**

The competent courts/authorities of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or 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 or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

**Bid/ Offer Programme**

| EVENT | INDICATIVE DATE |
|---|---|
| **BID/OFFER OPENS ON(1)** | On or about [●] |
| **BID/OFFER CLOSES ON(2)(3)** | On or about [●] |

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

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

(3) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

| EVENT | INDICATIVE DATE |
|---|---|
| **FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE** | On or about [●] |
| **INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT** | On or about [●] |
| **CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES** | On or about [●] |
| **COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES** | On or about [●] |

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date 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 two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2021/47) dated March 31, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, and SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April*

*20, 2022 and SEBI circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of fund.*

*The processing fees for applications made by the UPI Bidders 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022*

**The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs. While 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 three Working Days from the Bid / Offer Closing Date, or such other period as 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 BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. 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. Each Selling Shareholder, severally and not jointly, confirms that it shall extend reasonable assistance as required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as prescribed.**

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory T+3 listing basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations).

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

**Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect**.

**Submission of Bids (other than Bids from Anchor Investors):**

| **Bid/Offer Period (except the Bid/Offer Closing Date)** | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“**IST**”) |
| **Bid/Offer Closing Date** | |
| Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RII other than QIBs and NIIs | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹0.50 million) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of Physical Applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|---|---|
| Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹0.50 million | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| **Modification/ Revision/cancellation of Bids** | |
| Upward Revision of Bids by QIBs and Non-Institutional Investors# | Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIIs | Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date |

*Our Company in consultation with the BRLMs, may decide to close the Bid/ Offer Closing Period for QIBs one Working 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 pm on the Bid/Offer Closing Date.*

# *QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.*

**On the Bid/ Offer Closing Date, the Bids shall be uploaded until:**

(a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(b) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid / Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Investors, after taking into account the total number of Bids received and as reported by the BRLMs 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 the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and in accordance with SEBI RTA Master Circular (each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations). 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.**

**It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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, and are advised to submit their Bids no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. None of our Company, Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. 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, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

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.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

**In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days, in compliance with the SEBI ICDR Regulations.**

**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 websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.**

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021(to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations) and SEBI ICDR Master Circular. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

Subject to applicable law, in the event of under-subscription in the Offer, the Equity Shares will be allotted in the following order: (i) such number of Equity Shares comprising 90% of the Fresh Issue, or such other number as required to comply with the minimum subscription to be received in the Offer under applicable law, will be Allotted prior to the sale of Equity Shares in the Offer for Sale; (ii) next all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer will be Allotted in proportion to their respective Offered Shares; and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the remaining 10% of the Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

Each of the Selling Shareholders shall reimburse any expenses and interest incurred by our Company on its behalf for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and any expenses and interest shall be paid solely to the extent of its portion of the Offered Shares.

**Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

**New financial instruments**

Our Company is not issuing any new financial instruments through this Offer.

**Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 72, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 377.

**Option to receive Equity Shares in dematerialized form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

**Withdrawal of the Offer**

The Offer shall be withdrawn in the event that 90% of the Fresh Issue is not subscribed.

Our Company in consultation with the BRLMs and the Selling Shareholders, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) (in case of UPI Bidders) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. 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. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

If our Company in consultation with the BRLMs, withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, our Company will file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

## OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹8,250.00 million by our Company and an Offer of Sale of up to [●] 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 shall constitute [●]% of the post Offer paid-up Equity Share capital of our Company.*

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 1,650.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

| Particulars | QIBs (1) | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| Number of Equity Shares available for Allotment / allocation* (2) | Not more than [●] Equity Shares of face value of ₹2 each | Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors | Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors |
| Percentage of Offer Size available for Allotment / allocation | Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors was available for allocation, out of which<br>(a) one third of such portion shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million; and<br>(b) two third of such portion shall be reserved for applicants with application size of more than ₹1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Investors. | Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors |
| Basis of Allotment / allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above | The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to the following:<br>(i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with an | The allotment to each Retail Individual Investor 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 355. |

| Particulars | QIBs [1] | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| | (c) Up to 60% of the QIP portion (of up to [●] Equity Shares of face value of ₹2 each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | application size of more than ₹0.2 million and up to ₹1 million, and<br><br>(ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹1 million,<br><br>provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. | |
| Minimum Bid | Such number of Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each that the Bid Amount exceeds ₹0.2 million. | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each such that the Bid Amount exceeds ₹0.2 million | [●] Equity Shares of face value of ₹2 each |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid does not exceed the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid Amount does not exceed ₹0.2 million |
| Bid Lot | [●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Shares of face value of ₹2 each thereafter | | |
| Mode of allotment | Compulsorily in dematerialised form | | |
| Allotment Lot | [●] Equity Shares of face value of ₹2 each and in multiples of [●] Equity Share of face value of ₹2 each thereafter | | |
| Trading Lot | One Equity Share | | |
| Who can apply[3][4][5][6] | Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India, the 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 Systematically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules. | Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies family offices, trusts, FPIs who are individuals, corporate bodies and family offices. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹200,000 million in value. |
| Terms of Payment | **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4]<br><br>**In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. | | |

| Particulars | QIBs (1) | Non-Institutional Investors | Retail Individual Investors |
|---|---|---|---|
| Mode of Bidding^ | ASBA only (excluding the UPI Mechanism) except for Anchor Investors | ASBA only (including UPI Mechanism for Bids up to ₹0.5 million ) | ASBA only (including the UPI Mechanism) |

* *Assuming full subscription in the Offer*

^ *SEBI vide the SEBI ICDR Master Circular read with the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and other reserved categories also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company may, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion was up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) 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 or part thereof was permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor could make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation is made to Anchor Investors, which price was determined by the Company in consultation with the BRLMs. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. 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.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was made available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was made available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer was made available for allocation to Non-Institutional Investors, of which (a) one-third portion was reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million; and (b) two-thirds portion was reserved for applicants with application size of more than ₹1. 00 million, provided that the unsubscribed portion in either of such sub-categories was allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Offer was made available for allocation to RII in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form contained only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount was 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 Confirmation of Allotment Note.*

(5) *Bids by FPIs with certain structures as described under "Offer Procedure – Bids by FPIs" beginning on page 362 and having the same PAN were collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) have been proportionately distributed.*

(6) *Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

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 BRLMs 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 345.

## OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with 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 BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally 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; (v) issuance of Confirmation of Allocation Note and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; (xiii) price discovery and allocation and (xiv) interest in case of delay in Allotment or refund.*

*SEBI, through the UPI Circulars, has introduced an alternate payment mechanism using UPI and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), the SEBI has increased the UPI limit from ₹ 0.20 million to ₹ 0.50 million for all the individual investors applying in public issues.*

*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 UPI Bidders through Designated Intermediaries (other than SCSBs) issued by SEBI, 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 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

*Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("**SEBI RTA Master Circular**") and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), SEBI has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs.*

*Furthermore, pursuant to the SEBI ICDR Master Circular read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular), all individual bidders in initial public offerings whose application size are up to ₹0.50 million shall use the UPI Mechanism and 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. Pursuant to the SEBI ICDR Master Circular read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular), applications made using the ASBA facility in initial public offerings 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 two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.*

*Further, our Company, the Selling Shareholders and the BRLMs are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

*The BRLMs shall be the nodal entity for any issues arising out of public issuance process.*

*Our Company, the Selling Shareholders 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 available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, 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. 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 at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders 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 Investors shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to applicable laws and 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 on proportionate basis, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.**

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed the Sponsor Banks to act as a conduit between the Stock Exchanges and National Payments Corporation of India ("NPCI") in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹0.20 million to ₹0.50 million for applications using UPI in initial public offerings

**Phased implementation of UPI for Bids by RIIs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an UPI Bidder through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. 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.

(c) **Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**") (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis) in accordance with the SEBI ICDR Master Circular and the T+3 Notification (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations).

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLMs will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts 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 SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations).

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

Further, pursuant to SEBI ICDR Master Circular read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;

(ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

***Electronic registration of Bids***

(a) The Designated Intermediary may register the Bids using the online 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 online facilities for the Book Building process on a regular basis before the closure of the Offer.

(b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

(d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. UPI Bidders shall Bid in the Offer through 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 this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts or the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism, will be required to submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate Member(s), Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the 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.

(iii) QIBs and NIIs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

(iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIB and NII and also for all modes through which the applications are processed.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis | [●] |
| Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions | [●] |
| Anchor Investors | [●] |

* *Excluding electronic Bid cum Application Forms*

*Notes:*

1. *Electronic Bid cum Application forms and Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).*
2. *Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). NSE circular dated July 22, 2022, with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Member(s), RTA and Depository Participants shall submit Syndicate ASBA bids above ₹0.5 million and NII & QIB bids above ₹0.2 million through SCSBs only

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. 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 Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI ICDR Master Circular read with the 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 each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations.

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 through API integration 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

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 Bank 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 should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;

(b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;

(c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. 4:00 p.m. for QIBs and Non-Institutional Investors categories and up to 5.00 p.m. for Retail Individual category on the initial public offer closure day;

(d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids;

(e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States. Accordingly, the Equity Shares are being offered and sold outside of the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Participation by Promoter, Promoter Group, the Book Running Lead Managers, associates and affiliates of the Book Running Lead Managers and the Syndicate Member(s) and the persons related to Promoter, Promoter Group, Book Running Lead Managers and the Syndicate Members and Bids by Anchor Investors**

The BRLMs and the Syndicate Members shall not be allowed to purchase/subscribe the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase/subscribe Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers;

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers; or

(v) Pension funds sponsored by entities which are associate of the Book Running Lead Managers.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Managers” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company in consultation with BRLMs reserves 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, subject to applicable law.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSBs (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their NRE Account, or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis by using Resident Forms should authorise their SCSBs or confirm or accept the UPI Mandate

Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their NRO Accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by a NRI or an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 375.

**Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/applications by HUFs will be considered at par with Bids/applications from individuals.

**Bids by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments in Equity Share Capital by a single FPIs or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI or an investor group cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis, as applicable and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24% of the total paid-up Equity Share capital on a fully diluted basis, as applicable.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian entity is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer equity share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Our Company has increased the aggregate limit of investment by non-resident Indians in the Company from 10% to 24% of the paid-up equity share capital by a resolution of our Board dated August 16, 2024 and a resolution by our Shareholders dated September 4, 2024. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions specified under the FEMA Rules and as specified by the GoI from time to time

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that ultize the multiple investment manager structure in accordance with the Operational Guidelines for FPI and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM** Structure" provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

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, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

**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.**

**Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations, as amended prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations as amended prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 375

**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 BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

**Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular read with the SEBI circular nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

**Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**Bids by Systematically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), and such other approval as may be required by the NBFC-SI companies, and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI be prescribed by RBI from time to time.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of 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 laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

**Bids by provident funds / pension funds**

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

**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 to be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion is 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 be completed on the same day.

(e) Our Company in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is 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 is required to 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 BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) can 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 as multiple Bids.

(k) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

For more information, please read the General Information Document.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

**Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] editions of [●], a widely circulated Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

**General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form (with maximum length of 45 character) and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID (with maximum length of 45 character) and shall use only his / her own bank account which is linked to such UPI ID;

4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. 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. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

11. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

13. 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;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for 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;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. 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;

26. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

27. In case of QIBs and NIIs (other than for Anchor Investor and UPI Bidder), 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);

28. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

29. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;

30. UPI Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

34. Ensure that ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid / Offer Closing Date.

36. Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

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 or in the list displayed on SEBI’s website is liable to be rejected.

**Don’ts:**

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form, , the Anchor Investor Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account;

8. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

9. Bids by HUFs not mentioned correctly as provided in "- *Bids by HUFs*" on page 362;

10. Anchor Investors should not Bid through the ASBA process;

11. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

15. 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 the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

16. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

17. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

18. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

19. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;

20. Do not submit the General Index Register (GIR) number instead of the PAN;

21. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

22. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

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 Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid / Offer Closing Date;

24. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

25. 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;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;

27. 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;

28. 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);

29. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

30. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

31. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

32. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

33. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000

35. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected

36. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI ICDR Master Circular read with the SEBI circular bearing reference number 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 (each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), see "*General Information – Book Running Lead Managers*" on page 65.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Grounds for Rejection**

In addition to the grounds for rejection of Bids as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIIs with Bid Amount of a value of more than ₹ 0.20 million (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs and by Non-Institutional Investors after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIIs after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information – Company Secretary and Compliance Officer*" on page 64.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular read with 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 (to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Investor category, and the remaining available Equity 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 Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors 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 Investors 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 Investors. The allotment to each Non-Institutional Investor shall not be less than the Minimum NII 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 BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the

Registrar to the Offer to facilitate collections from Anchor Investors.

**Allotment Advertisement**

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of a widely circulated English national daily newspaper, [●], [●] editions of a widely circulated Hindi national daily newspaper, [●] and Mumbai editions of a widely circulated Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located).

**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 amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated October 15, 2024, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated October 5, 2024, amongst our Company, CDSL and Registrar to the Offer.

**Undertaking by our Company**

Our Company undertakes:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made, refunds are not made to the Bidders or listing and trading approvals are not obtained within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days from the Bid / Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) that 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;

(vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company in consultation with the BRLMs, withdraw the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Selling Shareholders subsequently decide to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that, except for any (a) allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOS 2024; (b) allotment of Equity Shares to holders of the CCPS (upon conversion); and () allotment of Equity Shares pursuant to the Pre-IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription.

**Undertakings by the Selling Shareholders**

Each of the Selling Shareholders, severally and not jointly, undertakes the following in respect of itself as a Selling Shareholder, and its portion of the Offered Share:

(i) that it is the legal and beneficial owner of, and have clear and marketable title to the Offered Shares;

(ii) that 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;

(iii) that the Equity Shares being sold by it 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;

(iv) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its Offered Shares;

(v) that 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; and

(vi) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its Offered Shares.

Each of the Selling Shareholders have, severally and not jointly, authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of its portion of the Offered Shares in the Offer for Sale.

**Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who –***

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent 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 ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

**Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## 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 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 Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 191.

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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

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 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.

In terms of the FEMA Rule and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the above 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 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, the FEMA 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.

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 such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. As per the existing policy of the Government, OCBs cannot participate in the Offer. For further details, see "*Offer Procedure*" on page 355.

The Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act, and shall not be offered or sold within the United States, Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales 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, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below. No material clause of the Articles of Association having bearing on the Offer or the disclosures required in this Draft Red Herring Prospectus has been omitted.

As on the date of this Draft Red Herring Prospectus, the provisions of the Articles of Association of our Company are in compliance with the Companies Act.

### PRELIMINARY

1. The regulations contained in Table F of the first schedule to the Companies Act, 2013 (hereinafter referred as Table F) shall apply to this Company in so far as are applicable to Public Company and are not amended, modified or substituted by the following Articles, which shall be the regulations for the management of the company.

### INTERPRETATION

2. (1) In these Regulations:-

(a) "Company" means ***GNG ELECTRONICS LIMITED**.

(b) "Office" means the Registered Office of the Company.

(c) "Act" means the Companies Act, 2013 and any statutory modification thereof.

(d) "Seal" means the Common Seal of the Company.

(e) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.

(2) *Unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Act, or any statutory modification thereof in force at the date on which these Articles become binding on the Company.*

### PUBLIC COMPANY

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

***** ***Amended and adopted vide special resolution passed at Extra-ordinary General Meeting held on Wednesday, 23rd October, 2024.***
**^** ***Amended and adopted vide special resolution passed at Extra-ordinary General Meeting held on 08th December, 2024.***

## SHARE CAPITAL AND VARIATION OF RIGHTS

1. The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the Share Capital, whether original, increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.

2. ^Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting..

3. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

4. The Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into equity shares) for offer and allotment to such officers, employees and workers of the Company as the Directors may select or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of any such Employee Stock Option Scheme or such other scheme as may be planed or proposed by the Company and approved by the appropriate authority or authorities.

5. Any Debentures, debenture stock or other Securities may be issued 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 General Meeting by a Special Resolution and subject to the provisions of the Act.

6. The Shares in capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited and/or no surrendered share shall continue to bear the number by which the same share was originally distinguished.

7. ^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 so 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 two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission , sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.

    a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in dematerialized form pursuant to Depositories Act and the regulations framed there under.

    b. ^The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

c. Where a person opts to hold his security with a Depository the Company shall intimate such Depository the details of allotment of the security and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

8. 8.1 Except as required by law, no person shall be recognised by the company as holding share upon any trust and shall not be bound by or be compelled in any way to recognise (even when having notice thereof.) any equitable, contingent, future, or partial interest in any share or any interest in any fractional part of share or (except only as by these Articles or by law otherwise provide) except an absolute right to the entirety thereof in the holder.

8.2 Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate for a share to one of several joint holder shall be a sufficient delivery to all such holders.

8.3 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 inscription 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.

8.4 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 therein such amounts at such time or times and in such manner, as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the repayment thereof.

8.5 ^If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate 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, 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 for each certificate as may be fixed by the Board which shall not exceed the amount as may be permitted under applicable law. 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 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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of Articles (9) and (10) shall mutatis mutandis apply to debentures of the Company.

8.6 (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

(ii) 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.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

8.7 Subject to the provision of section 72 of the Act and of these articles a shareholder may nominate any person as his or her nominee for the shares held by him in the company.

**LIEN**

9. ^The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures which shall be free from all lien) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses

from time to time declared in respect of such shares/debentures. 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.

10. The Company may sell forfeited shares in such manner as the Directors determine, any shares on which the Company has a lien, if a sum in respect of which the lien exists, is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share, or to the person entitled to it in consequence of the death or insolvency of the holder, demanding payment and stating that if the notice is not complied with, the shares may be sold.

11. To give effect to a sale, the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

12. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any monies not presently payable as existed upon the shares before the sale), be paid to the person entitled to the shares at the date of the sale.

**CALLS ON SHARES**

13. The Board may from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

14. Call shall be deemed to have been made at the time when the resolution of the Directors authorising such calls was passed.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable, shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act), but the Directors may waive payment of the interest wholly or in part.

17. An amount payable in respect of a share on allotment, whether in respect of nominal value or premium shall be deemed to be a call and if it is not paid, the provisions of these articles shall apply as if that amount had become due and payable by virtue of a call.

18. The Board –

a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and

b. ^may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Any uncalled amount paid in advance may carry interest, but shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.

## TRANSFER OF SHARES

19. 19.1 The Company shall keep a register called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares of the Company.

19.2 (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(ii) any transfer of shares on which the company has a lien.

21. ^The Board shall use a common form of transfer and the Board may decline to recognise any instrument of transfer unless—

(i) the instrument of transfer is in the form as prescribed in rules made under sub- section(1) of section 56;

(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of shares.

^Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused 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 where the Company has a lien on shares

22. On giving not less than seven days' previous notice in accordance with section 91and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

## TRANSMISSION OF SHARES

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

27. (i) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

(ii) ^The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

## FORFEITURE OF SHARES

28. If a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due, not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.

29. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

30. 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 on entry of the forfeiture, with the date thereof, shall forthwith be made in Register of Members, but no forfeiture shall be in any manner invalid by any omission or neglect to give such notice or to make such entry as aforesaid.

31. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine, either to the person who was before the forfeiture, the holder, or to any other person and at any time before sale, re-allottment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal, a forfeited share is to be transferred, the Directors may authorise some person to execute an instrument of transfer of the share.

32. A person, whose shares have been forfeited, shall cease to be a member in respect of them and shall surrender to the Company for cancellation, the certificate for the shares forfeited but shall remain liable to the Company for all monies which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest, at the rate at which interest was payable on those monies before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment, but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

33. A statutory declaration by a director or the secretary, that the share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer, if necessary), constitute a good title to the share and the person to whom the share is disposed off, shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in, or invalidity, of the proceedings in reference to the forfeiture or disposal of the share.

34. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**ALTERATION OF SHARE CAPITAL**

35. ^Where at any time, it is proposed to increase the subscribed capital of the company by allotment of further shares then:

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer, subject to the following conditions, namely;

(i) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, 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 or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;

(iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the company.

(b) Such further shares shall be offered to employees under a scheme of employees' stock option, subject to a special resolution passed by the company and subject to such conditions as may be prescribed; or

(c) Such further shall be offered to any persons, if authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62 of the Act.

The notice shall be dispatched through registered post or speed post or through electronic mode to all existing shareholders at lease three days before the opening of the issue.

Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or a loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of the issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in a general meeting

Notwithstanding anything contained this Article, where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after the company and Government pass such order as it deems fit.

In determining the terms and conditions of conversion under Section 62(4) of the Act, the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

Where the Government has, by an order made under Section 62(4) of the Act, directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under Section 62(4) of the Act or where such appeal has been dismissed, the memorandum of such company shall, stand altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

36. Subject to provisions of the Act, the Company may, by special resolution, purchase its own shares or reduce its share capital in any way and in particular and without prejudice to the generality to the foregoing power, may:

i. extinguish or reduce the liability on any of its shares in respect of share capital not paid-up.

ii. either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by any assets; or

iii. either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company, and may, if and so far as is necessary alter its Memorandum by reducing the amount of its shares accordingly.

37. The Company may:

i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

ii. subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may (if it is a special resolution) determine that, as between the shares resulting from the sub - division, any of them may have any preference or advantage as compared with the others; and

iii. cancel shares which, at the date of the passing of the resolution, 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.

iv. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

38. 38.1 Where shares are converted into stock—

a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage.

c. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

38.2 The company may, by special resolution, reduce in any manner and with, and subject to, any incidental authorisation and consent required by law—

a) its share capital;

b) any capital redemption reserve account; or

c) any share premium account.

**CAPITALISATION OF PROFITS**

39. 39.1 The Board of Directors of the company without seeking approval of members of the company in any general meeting may resolve

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Article 117 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

39.2 The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in Article 118 in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions aforesaid; or

(iii) partly in the way specified in sub-Article (a) and partly in that specified in sub- Article (b).

39.3 A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

39.4 Whenever such a resolution, as aforesaid, shall have been passed the Board shall:

(i) make all appropriation and application of the undivided profit resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and

(ii) generally do all acts and things required to give effect thereto.

40. The Board shall have full power:

(i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of securities becoming distributable in fractions; and also

(ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members.

## BUY-BACK OF SHARES

41. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

## GENERAL MEETINGS

42. All general meetings other than annual general meeting shall be called extraordinary general meetings.

43. 43.1 The Directors may, whenever they think fit, call an Extraordinary General Meeting.

43.2 The Directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting as per the procedure prescribed under the Act.

43.3 A general meeting of the Company may be called by giving not less than 21 days notice in writing or after giving such shorter notice as provided in Section 101 (1) of the Act or any statutory modification thereof.

43.4 The notice shall specify the time, day and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Where any business to be transacted at the meeting consists of “Special Business” as hereinafter defined, there shall be annexed to the notice of the meeting an explanatory statement setting out all material facts concerning such item of business as provided in section 102 of the Act.

43.5 All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at any Annual General meeting, with the exception of business relating to the consideration of accounts, declaration of dividend, appointment of Directors in the place of those retiring and appointment and fixing of the remuneration of the auditors.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence to the death or insolvency of a member and to the Directors and auditors. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

44. 44.1 No business shall be transacted at any meeting unless a quorum is present. Quorum shall be as prescribed by the Companies Act, 2023. A corporation being a member shall be deemed to be personally present if it is represented in accordance with section 113 of the Act.

44.2 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, the meeting if convened by or upon the requisition of Members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place within the city or town in which the Office of the Company is situated as the Board may determine, and if at such adjourned meeting 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 is called.

45. The chairperson, if any, of the Board or in his absence some other director nominated by the Directors shall preside as chairperson of the meeting, but if neither the chairperson nor such director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairperson and, if there is only one director present and willing to act, he shall be chairperson.

46. If no director is willing to act as chairperson, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairperson.

47. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

48. (i) The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## ADJOURNMENT OF MEETING

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## VOTING RIGHTS

50. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded by a member or members present in person or by proxy as per the provisions of the Companies Act, 2013. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

51. Subject to any rights or restrictions attached to any shares, on a show of hands every holder of equity shares entitled to vote and present in person shall have one vote and on a poll, the voting right of every holder of equity share whether present in person or by proxy, shall be in proportion to his shares in the paid up equity capital of the company.

52. 52.1 In the case of any 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 votes to which he may be entitled as a Member.

52.2 A proxy shall not have a right to speak at the General Meeting.

52.3 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.

53. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction (whether in India or elsewhere) 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.

54. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him if any moneys presently payable by him in respect of that share have not been paid or if the Company has exercised any right of lien in respect of those shares.

55. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairperson whose decision shall be final and conclusive.

56. On a poll, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

## PROXY

57. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## BOARD OF DIRECTORS

60. Unless otherwise determined by a general meeting of the Company and subject to the provisions of Section 149(1) of the Act, the number of Directors (other than alternate Directors) shall not be less than three or more than fifteen. The first Directors of the Company are:

1. Mr. Sharad Khandelwal
2. Mrs. Vidhi Sharad Khandelwal

61. Directors of the Company shall be liable to retire by rotation as per the provisions of section 152(6) of the Act, as amended from time to time. The Managing Director, Independent Director, Nominee Directors of beneficiaries and other Director as the Board may decide from time to time, shall not be subject to retirement under this article and shall not be taken into account for determining the number of Director to retire by rotation. In this Article “Retiring Director” means a director retiring by rotation.

62. (i) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.

(ii) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director and/or Chief Executive Officer at the same time.

(iii) The Board shall have a right to appoint a person as a director pursuant to any agreement which company may enter into with any other company, corporation, financial institutions, Foreign Financial Institutions, Banks, Venture Funds or with any Government, Central or State, either subscribing to the equity of the Company or contribution to the venture capital fund to which the company is acting as manger.

63. The Chairman for the time being and every director for the time being of the Company shall confirm to the criteria that may be laid down by any regulatory authority or authorities as may be empowered to regulate the company's business.

64. The Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any Director so appointed shall hold office only up to the date of the next annual general meeting of the Company or the last date on which AGM should have been held however he shall be eligible for appointment by the Company as a director at the meeting subject to the provisions of the Act and these Articles.

65. Subject to the provisions of the Act, the board may appoint an alternate director. The director's remuneration shall continue to be paid to him during the appointment of his alternate.

66. 66.1 The Company may by special resolution of which special notice has been given in accordance with the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any claim such Directors may have for damages for breach of any contract of service between him and the Company.

66.2 The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Articles and, without prejudice to powers of the Directors to appoint persons to be Directors in general meeting, may appoint any person to be a Director to fill a casual vacancy.

66.3 A Director of the Company need not hold any shares in the Company to qualify him for the office of a Director of the Company.

## PROCEEDINGS OF THE BOARD

67. Subject to the provisions of these Articles, the Directors may regulate their proceedings, as they think fit. The Board shall hold meetings as often as may be deemed necessary (either in person or by telephone or via video conference, if and when permissible by law.) A Director may, and the secretary at the request of the Director shall, call a meeting of the Directors.

68. The quorum for the transaction of the business of the Directors shall be as per the provisions of the Companies Act, 2013 and /or other applicable regulations, if any. A person who holds office only as an Alternate Director shall, if the Original Director is not present, be counted in the quorum.

69. If the Chairman appointed by the Board is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Dir0ectors present may appoint one of their number to be chairperson of the meeting.

70. All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

71. 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 necessary papers, if any, to all the Directors or to all the members of the committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the Directors or members of the committee, who are entitled to vote on the resolution. However, a resolution signed by an alternate director need not also be signed by a Director in whose place he is appointed or/and, if it is signed by a Director who has appointed an Alternate Director, it need not be signed by the Alternate Director in that capacity.

72. Questions arising at any meeting of the Directors shall be decided by majority of votes and in case of an equality of votes the Chairman of the meting shall have a second or casting vote.

73. Subject to the provisions of section 179 of the Act, the Directors may delegate any of their powers to committees consisting of such member or members of the Board as they think fit and they may from time to time revoke or discharge any such committee or committees.

74. All acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board.

75. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

76. Save as otherwise expressly provided in the Act a resolution in writing signed by all the members of the Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be valid and effective as if it had been passed at a meeting of the Board or committee duly convened and held.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

77. Subject to the provisions of the Act,—

77.1 A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

77.2 A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

78. 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 or 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 or chief financial officer.

**THE SEAL**

79. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**DIVIDENDS AND RESERVE**

80. Subject to the provisions of the Act and the Articles, the Company may declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.

81. Subject to the provisions of the Act, the Directors may pay interim dividends to the members if it appears to them that they are justified by the profits of the Company available for distribution, provided the Directors act in good faith and they shall not incur any liability to the holders of shares conferring preferred rights which they may suffer by a lawful payment of an ‘interim dividend’ on any shares having deferred or non-preferred rights.

82. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on the terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

83. A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

84. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable, for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investment (other than shares of the Company) as the Board may, from time to time, think fit.

85. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

86. Any dividend, interest or other moneys payable in cash in respect of a share may be paid by electronic mode or by cheque, demand draft or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or insolvency of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque/warrant shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque/warrant shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

87. 87.1 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

87.2 Notice of any dividend that may have been declared shall be given to the persons entitled to a share therein in the manner mentioned in the Act.

88. 88.1 The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

88.2 ^That there will be no forfeiture of unclaimed dividends before the claim becomes barred by law.

88.3 ^Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called "_________ Unpaid Dividend Account".

The company shall, within a period of ninety days of making any transfer of an amount under sub- section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

No unclaimed or unpaid dividend shall be forfeited by the Board.

## ACCOUNTS

89. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## WINDING UP

90. If the Company shall be wound-up, the assets available for distribution amongst the members shall (subject to any rights attached to any new class of shares hereafter created) be applied in repayment of the capital paid up on the ordinary shares and any balance shall be distributed amongst the holders thereof in proportion to the number of ordinary shares held by them respectively.

(i) If the Company shall be wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the above said purpose, the liquidator may set such value as he deems fair, upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**

91. Directors and Officers right to Indemnify: Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty, or breach of trust in relation to the affairs of the Company. Not responsible for acts of other: Subject to the provisions of the Act, no Directors, or Managing Director, Secretary or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act or conformity, or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon, which any of the monies of the company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or fortuitous act of any person, Company or corporation with whom any monies, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight in his part, or for any other loss or damages or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

## OTHERS

## BORROWING POWERS

1. Subject to the provisions of the Act and of these Articles, the Board may from time to time borrow, raise, receive payment of any sum or sums of money on deposit at interest or otherwise for the purpose of the Company or secure the payment of any sum or sums of money not exceeding the aggregate of the paid-up capital of the Company and its reserves (not being reserves set apart for any specific purpose) and Securities Premium. Provided, where the monies to be borrowed, together with the monies already borrowed (apart from the temporary loans obtained from the Company's banker's in the ordinary course of business) exceed the aforesaid aggregate, the Director shall not borrow such monies without the consent of the Company in General Meeting.

2. Subject to the provisions of article 49 the Directors may, by a resolution passed at a meeting of the Board, raise and secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures of the Company or by the creation of debenture stock charged upon all or any part of the assets of the Company (both present and future) including its uncalled capital for the time being or by making, drawing, accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or other negotiable instruments or giving or issuing any other security of the Company or by mortgage or charge or pledge of any loan, buildings, machinery, plant, goods or the property both present and future. Whenever any uncalled capital of the Company is included in or charged by any mortgage or other security, such mortgage or security may include an authority to the person in whose favour the same is executed or any other person trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' powers or otherwise and shall be assignable if expressed so to be.

3. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to save the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

## RESERVE AND DEPRECIATION FUNDS

4. The Directors may from time to time before recommending any dividend set apart any such portion of the profits of the Company as they think fit as a Reserve fund, Depreciation fund, Sinking fund, Capital redemption fund, Insurance fund or any other Special fund, whether for depreciation or for repairing, improving, extending, or maintaining any of the property of the Company or for any other purpose conducive to the interest of the Company.

5. All moneys carried to any reserve funds, depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation for the payment of dividend and such moneys and all the other moneys of the Company may be invested by the Directors in or upon such investments or securities as they may select or may be used as working capital or may be kept at any bank or deposit or otherwise as the Directors may from time to time think proper.

## MANAGING DIRECTOR/JOINT MANAGING DIRECTOR/ WHOLETIME DIRECTOR

6. Subject to the provisions of the Act and of these Articles, the Board shall have the power to appoint from time to Managing Director / Joint Managing Director/ Deputy Managing Director or whole-time Director of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. The Board may by resolution vest in such Managing Director / Joint Managing Director /Deputy Managing Director or whole-time director such of the powers as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restriction as it may determine. The remuneration of a Managing Director / Joint Managing Director, Deputy Managing Director or whole-time director may be by way of monthly payment, fee, commission or by any other mode as may be permitted by the Act.

7. A director may be or become a director of any company promoted by the Company, or in which it may be interested as a lender, shareholder or otherwise, and no such director shall be accountable for any benefits received as a Director or shareholder of such company except in so far as section 197(4) or section 188(1)(f) of the Act may be applicable.

8. The office of a Director shall become vacant as per the provisions of section 167 of the act read with section 164 and other applicable provisions of the Act.

## REMUNERATION OF DIRECTORS

9. The remuneration of a Directors may be such sum as may be fixed by the Board for each meeting of the Board or Committee thereof attended by him. Further the Directors shall be paid such remuneration as may be from time to time be determined by the Company in general meeting. The Directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

10. If any Director shall perform extra or special service or shall make any special exertion in going or residing abroad or attempting to secure for the Company contracts, rights, privileges and information or otherwise howsoever for any of the purposes of the Company, the Company shall remunerate such director in such manner as the Board may determine and such remuneration may be either by a fixed salary or a percentage of profit or otherwise as may be authorised by the Board.

## POWERS OF DIRECTORS

11. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting.

12. Subject to the restrictions contained in the Act, the Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing director or any director holding any other executive office such of their powers, as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

13. The Directors may from time to time and at any time by power of attorney appoint any Company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be 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 Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fir and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions, vested in him.

14. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed drawn, accepted, endorsed, or other-wise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## REGISTERS, BOOKS AND DOCUMENTS

15. ^The Company shall maintain Registers, Books and documents as required by the Act and same shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in this behalf, be determined in accordance with the provisions of the Act and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any from of electronic medium.

16. The Company may keep a Foreign Register of members in accordance with section 88 of the Act. The Directors may from time to time make such provisions as they think fit in respect of the keeping of such Branch Registers of the member and/or debenture holders.

## AUDIT

17. Once at least in every year, the Accounts of the Company shall be examined and the correctness of the Profit and Loss account and Balance sheet ascertained by one or more Auditors as provided in the Act.

## SECRECY

18. 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 customers and the state of accounts with 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 to do so by the Board or by Court of Law and except so far as be necessary in order to comply with any of the provisions of these presents contained.

*************************************************************

## SECTION X – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus filed with the RoC, may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on our website at https://www.electronicsbazaar.com/investor from the date of the Red Herring Prospectus until the Bid/Issue Closing Date (except for such documents or agreements executed after the Bid/Issue Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant laws.

***Material contracts to the Offer***

1. Offer Agreement dated December 14, 2024 entered into among our Company, the Selling Shareholders and the BRLMs;

2. Registrar Agreement dated December 13, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer;

3. Cash Escrow and Sponsor Bank(s) Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer;

4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent;

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer;

6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer and the Underwriters; and

7. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

***Material documents***

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date;

2. Certificate of incorporation dated October 19, 2006 issued by the RoC;

3. Certificate of commencement of business dated May 12, 2006 issued by the RoC;

4. Business transfer agreement dated February 17, 2020 executed between our Company and Amiable Electronics Private Limited;

5. Board resolution of our Company dated December 4, 2024 authorizing the Offer and other related matters;

6. Shareholders' resolution dated December 5, 2024 authorising the Fresh Issue and other related matters;

7. Resolution of our Board dated December 14, 2024 approving this Draft Red Herring Prospectus;

8. Resolution dated December 13, 2024 passed by the Audit Committee approving the KPIs;

9. Consent dated December 14, 2024 from our Statutory Auditors, M/s. Shankarlal Jain & Associates LLP to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated December 13, 2024 on the Restated Consolidated Financial Information; and (ii) the report dated December 13, 2024 on the statement of special tax benefits available to our Company, our shareholders and the Material Subsidiary under the direct and indirect tax laws in India and in United Arab Emirates (in case of the Material Subsidiary), included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring

Prospectus. However, the term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.

10. Written consent dated December 12, 2024 from the Practising Company Secretary, namely, M/s Nishant Bajaj & Associates, Company Secretaries having the membership number F12990 as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

11. The examination report dated December 13, 2024 of the Statutory Auditors on the Restated Consolidated Financial Information;

12. Report issued by the Statutory Auditors dated December 13, 2024 on the statement of special tax benefits available to our Company, our shareholders and the Material Subsidiary under the direct and indirect tax laws in India and in United Arab Emirates (in case of the Material Subsidiary).

13. Certificate dated December 14, 2024 from our Statutory Auditors, M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, with respect to the basis of offer price;

14. Certificate dated December 14, 2024 from our Statutory Auditors, M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, with respect to our key performance indicators;

15. Copies of annual reports of our Company as of and for the Fiscals 2024, 2023 and 2022;

16. Consents of banker(s) to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Legal Counsel to our Company as to Indian Law, Syndicate Members, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

17. Industry report titled “*Electronics Refurbishment Industry Report*” dated December 12, 2024 prepared by 1Lattice and commissioned and paid for by our Company, available on our Company’s website at https://www.electronicsbazaar.com/investor;

18. Consent letter dated December 12, 2024, issued by 1Lattice with respect to the report titled “*Electronics Refurbishment Industry Report*”;

19. Tripartite agreement dated October 15, 2024, among our Company, NSDL and Registrar to the Offer;

20. Tripartite agreement dated October 5, 2024, among our Company, CDSL and the Registrar to the Offer;

21. Due diligence certificate to SEBI from the BRLMs dated December 14, 2024;

22. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively; and

23. SEBI observation letter bearing reference number [●] and dated [●].

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Sharad Khandelwal;
*(Managing Director)*

**Place:** Mumbai

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Vidhi Sharad Khandelwal
*(Non-Executive Director)*

**Place:** Banglore

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

Ajay Pancholi
*(Non-Executive Non-Independent Director)*

**Place:** Mumbai

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

_________________________

Amit Midha
*(Non-Executive Non-Independent Director)*

**Place:** Riyadh, Saudi Arabia

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

_________________________

Sheetalkumar Dak
*(Independent Director)*

**Place:** Mumbai

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

________________________

Rinku Vikas Arora
*(Chairperson and Independent Director)*

**Place:** Mumbai

**Date:** December 14, 2024

## DECLARATION

I hereby declare that all relevant provisions of the Companies Act, 2013 and the regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, 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 made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules made, or regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

_________________________

Raakesh Jagdish Jhunjhunwala
*(Chief Financial Officer)*

**Place:** Mumbai

**Date:** December 14, 2024

## DECLARATION

I, Sharad Khandelwal, in my capacity as a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Promoter Selling Shareholder and my respective portion of the Offered Shares are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE PROMOTER SELLING SHAREHOLDER**

__________________________

Sharad Khandelwal
*(Promoter Selling Shareholder)*

**Place:** Mumbai
**Date:** December 14, 2024

## DECLARATION

I, Vidhi Sharad Khandelwal, in my capacity as a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Promoter Selling Shareholder and my respective portion of the Offered Shares are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE PROMOTER SELLING SHAREHOLDER**

__________________________

Vidhi Sharad Khandelwal
*(Promoter Selling Shareholder)*

**Place:** Bangalore
**Date:** December 14, 2024

## DECLRATION

We, Amiable Electronics Private Limited, a Promoter Selling Shareholder, hereby certify that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, as a Promoter Selling Shareholder and our respective portion of the Offered Shares are true and correct. We assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures and undertaking including, any of the statements made or confirmed by or relating to the Company or any other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY THE PROMOTER SELLING SHAREHOLDER**

For and on behalf of Amiable Electronics Private Limited
*(Promoter Selling Shareholder)*

**Name:** Sharad Khandelwal
**Designation:** Director
**Place:** Mumbai
**Date:** December 14, 2024