Placement Document
Subject to completion
Not for circulation
Strictly confidential
Serial number: [●]

MIC ELECTRONICS LIMITED

Our Company was originally incorporated as incorporated as a private limited company with the name and style '*MIC Electronics Private Limited*' under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 17, 1988, issued by the Registrar of Companies, Andhra Pradesh. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the general meeting of the shareholders of our Company held on June 18, 1997 and the name of our Company was changed to its present name '*MIC Electronics Limited*', with a fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on July 29, 1997. For further details, please see section titled "*General Information*" on page 232.

Registered Office: Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India; **Telephone**: + 91 - 40 2712 2222
Contact Person: Lakshmi Sowjanya Alla, Company Secretary and Compliance Officer; **Telephone**: + 91 – 88 8555 2027; **E-mail**: cs@mic.co.in; **Website**: www.mic.co.in;
Corporate Identity Number: L31909TG1988PLC008652

Our Company is issuing up to 1,95,65,217 Equity Shares of face value ₹2 each ("**Equity Shares**") at a price of ₹ 46.00 per Equity Share (the "**Issue Price**"), including a premium of ₹ 44.00 per Equity Share, aggregating up to ₹9,000.00 lakhs (the "**Issue**"). For further details, please see section titled "*Summary of the Issue*" on page 27.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("THE PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("THE COMPANIES ACT"

The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with NSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on June 25, 2024, was ₹71.11 and ₹71.05 per Equity Shares, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received by our Company from each of BSE and NSE on June 03, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assumes no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT **IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "*RISK FACTORS*" ON PAGE 43, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Except for this Placement Document, the information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Manager *(as defined hereinafter)* and its affiliates or agents does not form part of this Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue. A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 *(as defined hereafter)*) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs *(as defined hereinafter)*. This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue have only be made pursuant to the Preliminary Placement Document and this Placement Document and the Confirmation of Allocation Note *(each as defined hereinafter)*. For further details, please see section titled "*Issue Procedure*" on page 191. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. Accordingly, the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. Please see sections titled "*Selling Restrictions*" on page 206 for information about eligible offerees for the Issue and "*Transfer Restrictions*" on page 214 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

THIS PLACEMENT DOCUMENT IS DATED JUNE 26, 2024

BOOK RUNNING LEAD MANAGER
IDBI capital
IDBI Capital Markets & Securities Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the Book Running Lead Manager have any obligation to update such information to a later date.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. IDBI Capital Markets & Securities Limited (the "**Book Running Lead Manager**" or "**BRLM**") has made reasonable enquiries but has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company and the Equity Shares or its distribution. Each person receiving this Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, unless so registered, and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, please see sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Manager or its representatives,

and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of the Preliminary Placement Document and this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, the prospective investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the Book Running Lead Manager are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document. The information on our Company's website, *viz.*, www.mic.co.in, any website directly or indirectly linked to the website of our Company or to the website of the Book Running Lead Manager or any of their respective affiliates or agents, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, please see sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" in this section is to the prospective Bidders in this Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in the sections titled "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 206 and 214, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Placement Document;

- You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;

- You are aware that in terms of the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including

the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on page 206 and 214, respectively;

- You are aware that the Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy and press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- The Preliminary Placement Document and this Placement Document have been filed, with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. The Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of all the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company, which is not set forth in this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not

limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company, our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our perspective present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety, including in particular, section titled "*Risk Factors*" on page 43;

- In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of our Company and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You

waive, and agree not to assert any claim against, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our 'Promoters', or 'Promoter Group' (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid / Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:(a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the

others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any other person, and the Book Running Lead Manager or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Manager and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in section titled "*Selling Restrictions*" on page 206 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in section titled "*Transfer Restrictions*" on page 214 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in section titled "*Transfer Restrictions*" on page 214;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject

to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You are outside the United States, and you are purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Manager and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You acknowledge that the Preliminary Placement Document does not, and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Manager, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see section titled "*Offshore Derivative Instruments*" on page 10;

- Our Company, the Book Running Lead Manager, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**"), an Eligible FPI including the affiliates of the BRLM, which is registered as a Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPI can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPI subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPI and such instrument is being transferred only to person eligible for registration as Category I FPI subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these Investment Restrictions shall apply on the aggregate of the FPI and P-Notes investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any

P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder(s)', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to MIC Electronics Limited on a standalone basis and references to 'we', 'us' or 'the Group' are to MIC Electronics Limited together with its Erstwhile Subsidiaries on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

Currency and units of presentation

In this Placement Document all references to:

1. '₹', 'INR', 'Rs.', 'Indian Rupees' or 'Rupees' are to the legal currency of Republic of India,
2. 'US$', 'USD', '$' or 'U.S. dollars' are to the United States Dollar, the official currency of the United States of America

All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Placement Document are to the page numbers of this Placement Document.

All the numbers in this Placement Document have been presented in lakhs, unless stated otherwise. The amounts derived from financial statements included herein are presented in ₹lakhs.

Except as otherwise set out in this Placement Document, all figures set out in this Placement Document have been rounded off to the nearest whole number. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Financial data and other information

Our Company publishes its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

As on April 01, 2021, our Company had one wholly owned subsidiary, MIC Electronics Inc., USA and the said subsidiary has been wound up and dissolved under the laws of the state of California, USA w.e.f. June 21, 2021. During the financial year 2022, our Company had acquired 50.99% equity stake in Bikewo Green Tech Private Limited ("**Bikewo**") (formerly known as M/s. Right Automobiles Pvt Ltd), which became our material subsidiary. Our Company subsequently sold the equity stake in the Bikewo on November 11, 2023. As of the March 31, 2024, the Company does not have any subsidiary company. In view of above acquisition/divestment/winding up of our subsidiaries, in this Placement Document, we have included the following financial statements prepared in accordance with Indian Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act, 2013 ("**Ind AS**"):

(i) the audited standalone and consolidated financial statements for Fiscal 2022 read along with the notes thereto (the "**Fiscal 2022 Audited Financial Statements**");

(ii) the audited standalone and consolidated financial statements for Fiscal 2023 read along with the notes

thereto (the "**Fiscal 2023 Audited Financial Statements**" and collectively with Fiscal 2022 Audited Financial Statements, the "**Audited Consolidated Financial Statements**"); and

(iii) the audited standalone financial statements for Fiscal 2024 read along with the notes thereto (the "**Fiscal 2024 Audited Standalone Financial Statements**" and collectively with Fiscal 2023 Audited Financial Statements and Fiscal 2022 Audited Financial Statements, the "**Audited Standalone Financial Statements**");

The Audited Standalone and Consolidated Financial Statements should be read along with the respective audit reports.

Our Fiscal 2022 Audited Financial Statements, Fiscal 2023 Audited Financial Statements and Fiscal 2024 Audited Standalone Financial Statements were audited by M/s. Bhavani & Co., Chartered Accountants, our Statutory Auditor.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Non-GAAP Financial Measures

We have included certain non-GAAP measures and certain other statistical information such as EBITDA, EBITDA Margin, ROE, Interest Coverage Ratio, ROCE, Net Debt to EBITDA ratio etc. (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") are presented in this Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the refractory businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" on page 234.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in section titled "*Industry Overview*" on page 126.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "LED Lights, Display, 2W EV, 3W EV" (the "**Industry Report**") dated May 5, 2024, which is a report commissioned and paid for by our Company and prepared by Acuite Ratings & Research Limited in connection with the Issue.

The Industry Report contains the following disclaimer:

"*This report is based on the data and information (data) obtained by Acuité primarily from sources in public domain that it considers reliable. Although reasonable care has been taken to verify the data, Acuité Research makes no representation or warranty, expressed or implied with respect to the accuracy, adequacy or completeness of any data relied upon. Acuité is not responsible for any errors or omissions or for the results obtained from the use of the report and especially states that it has no financial liability, whatsoever, for any direct, indirect or consequential loss of any kind arising from the use of its reports. Any statement contained in this report should not be treated as a recommendation or endorsement or opinion or a substitute for reader's independent assessment. Please note that Acuité Research has not undertaken any due diligence on the business operations of the company*".

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Placement Document has been derived from a third-party industry report, exclusively commissioned and paid for by us. There can be no assurance that such third party statistical, financial, and other industry information is either complete or accurate.*" on page 62.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Industry Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'will likely result', 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

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, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. As a result, actual future gains or losses could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. 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. Certain important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others include:

1. We are dependent on, and derive a substantial portion of our revenue from, limited number of customers and over 90.00% our revenue is derived from our top ten customers. Cancellation by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.

2. In past we have derived revenue form the multiple segments and and there is no consistency in revenues from one business segment. Our inability to maintain consistency in revenues from our businesses may adversely affect our business, results of operations and financial condition.

3. Our Company has only one manufacturing facility and our LED business is dependent and will continue to depend on our manufacturing facility. Our Company is subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, injury to employees, severe weather conditions and natural disasters. In addition, any strikes, work stoppages or increased wage demands by our employees could also interfere with our operations.

4. Our Company depends on the Indian Railways for a significant portion of contracts in our Order Book which are awarded on a tender basis. There is no assurance that our bids will be accepted, and future contracts will be awarded to us by Indian Railways. This may result in an adverse effect on our business growth, financial condition and results of operations.

5. Our Company rely on a number of third-party suppliers for our LED key components, materials and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our LED components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

6. In the past, our Company was subjected to a CIRP proceeding, which had an impact on our operations and

cash flow.

7. Our Company's LED business is dependent on our design and development ("**D&D**") activities for our future success. If our Company does not successfully design and develop new products in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under sections titled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 43, 93, 126 and 163, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct.

Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we nor the Book Running Lead Manager nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and Senior Management named herein are residents of India and the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India. India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI and Financial Benchmarks India Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End[1]	Average[2]	High[3]	Low[4]
Fiscal:*				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Month ended:*				
May 31, 2024	83.30	83.39	83.52	83.03
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02

(Source: www.rbi.org.in, www.fbil.org.in)
**If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. High, low and average are based on the RBI reference rate and rounded off to two decimal places.*

***Notes**:*

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

The terms defined in this section shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 126, 224, 228 and 234, respectively, shall have the meaning given to such terms in such sections.

GENERAL TERMS

Term	Description
"Issuer" or "our Company" or "the Company" or "MIC"	MIC Electronics Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India.
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company. With respect to the Audited Standalone and Consolidated Financial Statements references to "we"/ "us"/ "our" refers to our Company and Erstwhile Subsidiaries. For further details, please see section titled "*Organisational Structure*" on page 175.

COMPANY RELATED TERMS

Term	Description
Acuite	Acuite Ratings & Research Limited
Articles or Articles of Association or AoA	Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board of Directors, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Erstwhile Subsidiaries as of and for the Fiscal 2023 and 2022 prepared in accordance with the IND AS notified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Companies Act, together with the report issued by our Statutory Auditors.
Audited Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the Fiscal 2024, 2023 and 2022, prepared in accordance with the IND AS notified under section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provision of the Companies Act, together with the report issued by our Statutory Auditors.
Audited Standalone and Consolidated Financial Statements	Audited Standalone Financial Statements and Audited Consolidated Financial Statements
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require.
Chairman and Managing Director	The chairman and managing director of our Company, Kaushik Yalamanchili.
Chief Executive Officer	The chief executive officer of our Company, Kalidindi Satyanarayana Raju.
Chief Financial Officer	The chief financial officer of our Company, Muralikrishnan Sadasivan Madurai.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Lakshmi Sowjanya Alla.

Term	Description
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177.
Director(s)	The director(s) on the Board of our Company.
Equity Share(s)	The equity shares of our Company, having face value of ₹2 each.
Erstwhile Subsidiaries	Erstwhile subsidiaries of our Company, namely, Bikewo Green Tech Private Limited and MIC Electronics Inc. USA
Executive Director(s)	The executive directors of our Company, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177.
Industry Report	Report titled "LED Lights, Display, 2W EV, 3W EV" dated May 5, 2024 prepared and issued by Acuite, commissioned and paid for by our Company, exclusively in connection with the Issue.
Financial Statements	Audited Standalone and Consolidated Financial Statements
Management Committee	The committee of our Board of Directors formed to negotiate and finalize the terms of such fund raising, pursuant to a resolution passed by our Board dated November 11, 2023, as described in section titled "*Board of Directors and Senior Management Personnel"* on page 177.
Independent Director(s)	The independent director(s) of our Company, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177
Key Managerial Personnel or KMP	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 section titled "*Board of Directors and Senior Management Personnel*" on page 177.
Memorandum or Memorandum of Association or MoA	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, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177.
Non-Executive Director(s)	A Director of our Company not being an Executive Director or an Independent Director.
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations and as reported to the Stock Exchanges, being RRK Enterprise Private Limited and Siva Lakshmanarao Kakarala.
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Registered Office	The registered office of our Company is located at Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India.
Registrar of Company or RoC	The Registrar of Companies, Telangana at Hyderabad.
Senior Management	The senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as identified under the section titled "*Board of Directors and Senior Management Personnel*" on page 177 and includes the Key Managerial Personnel.
Shareholder(s)	The holder(s) of the Equity Shares of our Company, unless otherwise specified in the context thereof.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as described in section titled "*Board of Directors and Senior Management Personnel*" on page 177
Statutory Auditor	Current statutory auditor of our Company, M/s. Bhavani & Co., Chartered Accountants.
Whole-time Director	The whole-time director of our Company, being Sivanand Swamy Mitikiri.
Wholly Owned Subsidiary	SOA Electronics Trading LLC

ISSUE RELATED TERMS

Term	Description
Allocated or Allocation	The allocation of Equity Shares by our Company, in consultation with the Book

Term	Description
	Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations.
Allot or Allotment or Allotted	The issue and allotment of Equity Shares pursuant to this Issue.
Allottees	Bidders who are Allottee Equity Shares of our Company pursuant to this Issue.
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue.
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bidder(s)	An Eligible QIB who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid/ Issue Closing Date	The date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount, being June 26, 2024
Bid/ Issue Opening Date	The date on which our Company (or the Book Running Lead Manager on behalf of our Company) commenced the acceptance of the Application Forms and the Bid Amount, being June 12, 2024
Bid/ Issue Period	Period between the Bid/ Issue Opening Date and Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Bid Amount.
Book Running Lead Manager or BRLM	IDBI Capital Markets & Securities Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about June 27, 2024.
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees.
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an Eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Bid Amount has been deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form.
Escrow Bank	Bank of Maharashtra

Term	Description
Escrow Agreement	The escrow agreement dated June 12, 2024 entered into amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.
Floor Price	The floor price of ₹48.30 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of not more than 5.00% on the Floor Price in accordance with the approval of shareholders of our Company accorded by way of a special resolution passed through postal ballot on October 10, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
Issue	The offer, issue and Allotment of 1,95,65,217 Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder.
Issue Price	₹46.00 per Equity Share
Issue Size	The issue of up to 1,95,65,217 Equity Shares aggregating up to ₹9,000.00 lakhs.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue.
Placement Agreement	The placement agreement dated June 12, 2024 entered into by and amongst our Company and the Book Running Lead Manager.
Placement Document	This placement document dated June 26, 2024 to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
Preliminary Placement Document	The preliminary placement document along with the Application Form dated June 12, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder.
QIBs or Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue.
Relevant Date	June 12, 2024, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue.
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulation.
Working Day	Any day other than the second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading holiday of the Stock Exchanges, as applicable.

TECHNICAL AND INDUSTRY RELATED TERMS

Terms	Description
ADSL	Asymmetric Digital Subscriber Line
AMC	Annual Maintenance Contract

Terms	Description
ASIC	Application Specific Integrated Circuits
D&D	Design and Development
E2W	Electric Two-Wheeler
E3W	Electric Three-Wheeler
EMS	Electronic Manufacturing Service
EV	Electric Vehicle
FPGA	Field Programable Gate Array
HID	High-intensity Discharge
IPIS	Integrated Passenger Information System
LED	Light Emitting Diode
MIR	Material Issue Requisition
MTBF	Mean-Time-Between-Failure
MW	Megawatt
ODM	Original Design Manufacturer
OEM	Original Equipment Manufacturer
OLED	Organic Light Emitting Diode
PCB	Printed Circuit Boards
QLED	Quantum- dot Light Emitting Diode
SLNP	Street Lighting National Program
UJALA	Unnat Jyoti By Affordable LEDs For All
VHDL	Very Highspeed Integration Circuit Hardware Description Language

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
AGM	Annual General Meeting
AIFs	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AS	Accounting Standards
AY or Assessment year"	The assessment year is the year that comes after the FY. This is the time in which the income earned during FY is assessed and taxed.
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Procedure Code	Code of Civil Procedure, 1908, as amended.
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act or Companies Act, 2013	The Companies Act, 2013, as amended, read with the rules, regulations, clarifications and modifications thereunder.
Competition Act	Competition Act, 2002, as amended
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
CSR	Corporate Social Responsibility
CY	Calendar Year, i.e. year ending on December 31 of the relevant year.
DDT	Dividend Distribution Tax
Depositories Act	Depositories Act, 1996, as amended.
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended.
DP/Depository Participant	Depository participant as defined under the Depositories Act.

Term	Description
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI.
EBIDTA	EBITDA is Non-GAAP measure which represents earnings before interest, taxes, depreciation and amortisation expenses.
EGM	Extraordinary General Meeting
EPS	Earnings Per Share, calculated as profit after tax for a Fiscal, divided by the weighted average outstanding number of Equity Shares during that Fiscal.
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.
Finance Act	Finance Act, 2021, as amended.
Finance Cost	Finance Cost charged to the statement of profit and loss.
Fiscal Year or Financial Year or FY or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
Form PAS-4	The Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended.
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI.
GDP	Gross Domestic Product
GoI or Government	Government of India
GST	Goods and Service Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official legal currency of the Republic of India
IT	Information Technology
MCA	Ministry of Corporate Affairs, GoI
MoU	Memorandum of understanding
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
N.A. or NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NEAT	National Exchange for Automated Trading
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number

Term	Description
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018, as amended
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended
SEC	The United States Securities and Exchange Commission
U.S. Securities Act	The U.S. Securities Act of 1933
STT	Securities Transaction Tax
U.S. or United States or USA or US	United States of America
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
US$ or U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
WOS	Wholly Owned Subsidiary

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including sections titled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages, 43, 79, 205, 191 and 220.

Issuer	MIC Electronics Limited
Face Value	₹2 per Equity Share
Issue Price	₹46.00 per Equity Share (including a premium of ₹44.00 per Equity Share)
Floor Price	₹48.30 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of not more than 5.00% of the Floor Price in accordance with the approval of the Shareholders of our Company accorded by way of a special resolution passed through postal ballot on October 10, 2023, and in terms of Regulation 176(1) of SEBI ICDR Regulations.
Issue Size	Issue of 1,95,65,217 Equity Shares, aggregating to ₹9,000.00 lakhs. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorising the Issue	September 6, 2023
Date of shareholders' resolution authorising the Issue	October 10, 2023
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations to who the Preliminary Placement Document and the Application Form have been delivered, to whom this Placement Document will be delivered and who are not excluded pursuant to Regulation 179 of the SEBI ICDR Regulations or restricted from participating in this Issue under the SEBI ICDR Regulations. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered and this Placement Document will be delivered has been determined by the Book Running Lead Manager in consultation with our Company, at its discretion. For further details, please see sections titled "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 197, 206 and 214, respectively.
Dividend	Please see sections titled "*Description of the Equity Shares*" and "*Dividend*" on page 220 and 92, respectively.
Taxation	Please see section titled "*Taxation*" on page 224.
Equity Shares issued and outstanding immediately prior to the Issue	22,14,46,343 fully paid-up Equity Shares
Equity Shares issued and outstanding immediately after the Issue	24,10,11,560 Equity Shares
Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see section titled "*Issue Procedure*" on page 191.
Lock-up	For details in relation to lock-up, please see section titled "*Placement and Lock-up*" on page 205.
Listing and trading	Our Company has obtained in-principle approvals dated June 03, 2024

	from the Stock Exchanges in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants. The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Proposed Allottees	Please see section titled "*Proposed Allottees in the Issue*" on page 235 form names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.
Transferability restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period for one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see section titled "*Transfer Restrictions*" on page 214.
Risk factors	For details, please see section titled "*Risk Factors*" on page 43 for a discussion of risk you should consider before participating in the Issue.
Use of proceeds	The gross proceeds from the Issue will be aggregating to ₹9,000 lakhs. The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue, will be approximately ₹ 8,809.00 lakhs. For details, please see section titled "*Use of Proceeds*" on page 79 for additional information regarding the use of net proceeds from the Issue.
Closing Date	The Allotment is expected to be made on or about June 27, 2024
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections titled "*Dividends*" and "*Description of the Equity Shares*" on pages 92 and 220, respectively.
Security codes for the Equity Shares	ISIN: INE287C01037 BSE Code: 532850 NSE Symbol: MICEL

SUMMARY OF THE BUSINESS

Overview

Incorporated in 1988, we are an Indian company with design and display capabilities in true colour light emitting diode ("**LED**") video displays, LED passenger information displays and LED lights. LED is a semiconductor device that emits light when an electric current flows through it. LED finds applications in many electronic devices including residential and commercial lighting, television screens, display screens, automotive lights, optical communication, alarm and security systems, remote control operations, robotics etc. LED devices have become popular in these devices due to its durability, low power consumption and fast switching capabilities. *(Source: Acuite Report)*

Our Company recently started developing 42V/3A electric vehicle battery charger for e-cycles and two-wheelers, which play crucial role in ensuring the efficient and convenient charging of the batteries that power EV vehicles.

Our Company is an ISO 9001:2015 certified, with our presence in the domains of LED video, graphics and text displays and LED lighting solutions. Our Company design, develop and manufacture the LED video displays and LED lighting products. Our Company's flagship products are LED video displays (indoor and outdoor).

Our products are categorised as

(i) LED Lightning: Our LED lighting offerings focus on (a) indoor lightning such as area lights, down lights, tube lights; (b) outdoor lighting such streetlights, parking lights, industrial lights etc; (c) solar lighting such as solar streetlights, solar home lights; etc and (d) portable lights.

(**ii) LED Displays:** Our LED Display offerings focus on (a) indoor displays such as indoor video screenings; digital posters; etc; (b) outdoor displays such as ticker displays, digital posters, perimeter displays, digital billboards, outdoor video walls, etc; (c) mobile displays and (d) application specific displays.

Our Company has one manufacturing facility located in Cherlapally, Hyderabad for manufacturing LEDs products. In our manufacturing operations, we aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

In the year 2018, our Company went under a Corporate Insolvency Resolution Process ("**CIRP**") proceeding, and in the year 2019, the Resolution Plan of our current Promoters was accepted, and a new Board of Directors was constituted on August 7, 2019. By virtue of above Resolution Plan, our corporate Promoter, RRK Enterprise Private Limited ("**RRK**") acquired our Company and accordingly, our Company became a subsidiary of RRK with effect from March 25, 2022. For further details, please see section titled "*Organizational Structure*" on page 175. The current Promoters and management assumed control of operations during the Fiscal 2022 and procured one time order of oxygen concentrators 5,000 oxygen concentrators from one of the largest crude oil and natural gas company, which was successfully completed by our Company. During Fiscal 2022, we generated ₹2,987.38 lakhs in revenue from sale of oxygen concentrators to one of the which represented 66.46 % and 95.93 % of total revenue from operations, on a consolidated and standalone basis, respectively.

Subsequently, during Fiscal 2023 our Company has procured the project on integrated passenger information system ("**IPIS**") and received necessary approvals for executing the project. As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. The orders received from Indian Railways also provide us opportunity to generate revenue by providing annual maintenance contract ("**AMC**") services in respect of IPIS supplied to Indian Railways by our Company. Our AMC services are valid for a period of 12 months from the date of issue of letter of acceptance. Our AMCs by Indian Railways are usually renewed on annual basis thereby generating recurring revenue for our Company. We are also crying out job work of PCB uploading for third parties.

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of electric two-wheeler ("**E2W**"). Our Company has also on standalone basis supply two electrical vehicles to the distributors of the Bikewo under invoicing to Bikewo. On November 11, 2023, our Company divested its entire stake in Bikewo

through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, our Company intend to capitalize on our experience in the E2W and as part of business strategy our Company untap the potential in electric vehicle ("**EV**") segment through acquisition or investment.

Our current Promoters and the senior management team have been implementing changes in our Company including improving sales, starting development of new products with investment into D&D. Our management team has demonstrated the ability to successfully implement changes post the implementation of the Resolution Plan. Our dedicated Design and Development ("**D&D**") team focuses on product designing, tools, electronic circuit designing and prototype designing. As on April 30, 2024, our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

Financial Information and Key Performance Indicators (KPIs)

Set forth are the financial information and key performance indicators for the years indicated on a consolidated basis:

(in ₹ lakhs, except as otherwise stated)

Particulars	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	2,290.81	4,494.70
Total Income	2,485.15	4,625.28
EBITDA	342.67	767.86
EBITDA margin (%)	13.79	16.60
PAT	24.36	296.28
PAT margin (%)	0.98	6.41
ROCE (%)	1.59	7.20
ROE (%)	0.38	4.65
Net debt/EBITDA ratio	4.74	1.01

Set forth are the financial information and key performance indicators for the years indicated on a standalone basis:

(in ₹ lakhs, except as otherwise stated)

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	5,457.48	589.22	3,114.10
Total Income	5,656.61	779.75	3233.57
EBITDA	2,091.63	269.25	655.55
EBITDA margin (%)	36.98	34.53	20.27
PAT	6,183.88	14.96	281.09
PAT margin (%)	109.32	1.92	8.69
ROCE (%)	15.84	1.08	6.58
ROE (%)	50.70	0.25	4.69
Net debt/EBITDA ratio	0.51	3.82	0.13

Our Strengths

Capability for manufacture of LED video display systems

We are one of the very few companies in India to have the capability for manufacture of LED video display systems. We provide customized solutions based on our customer needs, location, display purpose, *etc.* We specialize in the design, development, production, and sales of LED display systems. This segment plays a pivotal role and has established a presence in India's LED display market. Key highlights of our LED business include:

"Scan+" Technology: Our LED displays feature "Scan+" technology, enabling us to deliver true-color, high-quality motion picture images. This technology is a differentiator, enhancing the visual appeal of our products.

Diverse Applications: Our LED displays find applications in various sectors, including live events, advertising (electronic billboards and news tickers), indoor installations (e.g., shopping malls, airports, and railway stations), and mobile setups. This versatility broadens our customer base and market reach.

Day-and-Night Visibility: Our LED display systems offer consistent picture quality and visibility regardless of ambient lighting conditions. They can operate effectively even in direct sunlight, a feature that sets them apart

from competitors.

Remote Accessibility: The LED systems can be monitored and controlled remotely, enabling real-time content management. This feature is particularly appealing to advertisers and marketers, facilitating dynamic content updates.

True Color Display: With the ability to display true colors (12-16 bits per color, offering 64 billion to 256 trillion shades). Our LED displays can showcase products and content with clarity.

Weather Resistance: The modules and components of our LED display systems are designed to withstand inordinate weather conditions, ensuring durability and minimal maintenance requirements.

Broad Customer Base: Our LED display solutions cater to a diverse customer base, including advertising agencies, shopping malls, transportation hubs, and event organizers.

Emphasis on research and technological innovation

We believe that our growth is a result of our thrust on continuous research and innovation. Our D&D team focuses on product designing, electronic circuit designing and prototype designing. Our D&D team has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. We believe that innovation and applied engineering continue to be the key determinant for our success. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. As on April 30, 2024 our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

Poised to capture growth of LED market

We are well-positioned to capitalize on opportunities in the LED display and lighting market driven in part by governmental policies for energy saving and environment protection and importantly, the increasing awarenes and adoption of LED lighting. Further, LED lighting is central to reducing environmental impacts in both the residential, commercial and industrial sectors.

As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Further, we also provide customized solutions based on our customer needs, location, display purpose, etc.

Indian Railways had already achieved its target of 100% LED lighting across its network by March 2018. This has helped the Railways save Rs 500 million per annum in electricity bills and reduce carbon dioxide (CO2) emissions by 60,000 tons. Currently, it has initiated a rail station development programme called 'Amrit Bharat Railway Stations'. The entire project covers redevelopment works at 1,309 stations across the country with the first 508 train stations across 27 states and union territories to need an investment of Rs 244.7 billion (USD 3 billion). The redevelopment will provide modern passenger amenities along with ensuring better traffic management, intermodal integration and signage particularly for passengers with reduced mobility. Works at the selected stations will include the modernisation of buildings, new platforms and better seating areas along with upgraded waiting rooms. This will continue to drive demand for LED lighting solutions from Indian Railways including those required for signalling systems. *(Source: Acuite Report)*

The LED market is expected to expand significantly during the forecast period due to the continuing replacement of incandescent lights with LED and a steadily increasing number of lighting applications both for indoors and outdoors where LED lights can get deployed. Compared to incandescent bulbs, LED lights last 25 times longer and use 75% less energy. Therefore, it has been beneficial to replace outdated lighting systems with LED lighting. There is also a growing demand for new outdoor LED lighting installations. *(Source: Acuite Report)*

Furthermore, government initiatives and policies for LED adoption has driven market growth. In India, the penetration of LEDs for outdoor applications has been steadily rising. For example, by 2024, one of the PSUs, Energy Efficiency Services Limited (EESL), plans to install 1.6 Cr smart LED streetlights across the country. The government has been implementing two different programmes - Unnat Jyoti by Affordable LEDs for All (UJALA) and LED Street Lighting National Programme (SLNP) through EESL. India's highway and roadway infrastructure has also been adopting LED lights. Higher outlay towards road projects and road maintenance will also continue

to boost the demand for LED lighting. Furthermore, municipal corporations across the country have been increasing their budget for not only street lighting but also for lighting (flood lights) required in various sports facilities. *(Source: Acuite Report)*

Usually, in industrial settings with high, difficult-to-reach ceilings and large spaces where lighting is difficult and ineffective, conventional high-intensity discharge (HID) and fluorescent lighting systems may be more effective. However, HID systems are incompatible with modern sensors and wireless controls; as a result, energy consumption tends to be higher. Currently, there is a noticeable demand in India for LED lighting solutions with advanced technology that use daylight harvesting to reduce energy consumption or that turn lights on and off at pre-designated times in pre-designated zones. Lot of managers of industrial facilities have started to use customized LED lighting solutions to boost efficiency and improve performance across their facilities. *(Source: Acuite Report)*

As the urban consumer market continues to show high growth in India, investments in commercial infrastructure – shopping malls and large showrooms have risen steadily. Retail outlets require attractive and bright lighting systems to attract the attention of the consumers and trigger the purchase intent. Relevant and attractive Illumination is essential to enhance the desirability of the products. LED lights are versatile and functional in assorted colours, sizes, wattage, and shapes. These factors drive the usage of LED lighting in such commercial spaces. *(Source: Acuite Report)*

Our LED manufacturing capacity along with our focus on D&D enables us to meet further demand for LED lighting in India. We are focused on business strategies to prepare our Company to take advantage of these market opportunities.

Stable customer base

During Fiscal 2023, our Company has procured the project IPIS and received necessary approvals for executing the project. As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. We have been receiving repeat orders for our display systems from Indian railways. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Further, repetitive orders from Railways also provide us opportunity to generate revenue by providing annual maintenance contract ("**AMC**") services in respect of IPIS supplied to Indian Railways by our Company. Our AMC services are valid for a period of 12 months from the date of issue of letter of acceptance. Our AMCs by Indian Railways are usually renewed on annual basis thereby generating recurring revenue for our Company. We believe that our understanding of the industry and market requirements has helped us to continually introduce innovative features. We ensure that service is rendered to the end-users of our products. Towards this end, we ensure that our customers' service requirements are attended to ensure minimum waiting period for the customer. We ensure that our after sales personnel are well-equipped in terms of the spare parts maintained as well as the availability to handle any service requirements or problems encountered by the customers while operating the display systems.

Our Strategies

Continue to focus on expanding our LED products portfolio

We intend to continue focusing on increasing our capacity and performance in order to increase the supply our LEDs products portfolio in both Indian Railways and the private sector requirement by leveraging on our strengths and providing complete customer satisfaction. LED lighting solutions are an immediately accessible option for companies and individuals looking to decrease their environmental footprint. The Indian LED lighting market size is estimated to have reached US$ 5.7 Billion in 2023. Acuite Research expects the market to remain robust over the next five years and grow at a CAGR of 14.0% to reach US$ 11.0 Billion by 2028 *(Source: Acuite Report)*

Major factors behind increased use of LED lights *(Source: Acuite Report)*

Conserving Energy

One of the biggest long-term advantages of LED lights and displays are their high energy efficiency. LED technology is an environmentally friendly option because it consumes a significantly less energy than conventional lighting and display technologies.

Improved Reliability and Durability

LED displays are designed to withstand a wide range of environmental factors, such as changes in humidity, temperature, and even physical impacts. Because of their durability, LED displays are a reliable investment for both home and commercial appliances, ensuring that they will function well over time.

Longer Life Expectancy

LED lights often have tens of thousands of hours of life left in them. Because of this durability, customers can take advantage of dependable performance for longer periods of time. With a significant reduction in the need for frequent replacements, there is a gradual increase in the sustainability and economic viability of the solution by using fewer resources and producing less technological waste.

Environmentally Conducive

Toxic chemicals are absent from LED lights. Most standard fluorescent light bulbs are made of several environmentally hazardous substances like mercury. LED lights can help cut the carbon footprint by up to 33% and are completely recyclable. They also do not contain any toxic materials. One LED light bulb can save the materials and manufacturing required to produce twenty-five incandescent light bulbs due to its extended operational lifetime which has enabled us to take a significant step toward a more environmentally friendly future.

No UV Radiation

LED lighting emits almost no UV light and extraordinarily little infrared light. Because LED lighting emits extraordinarily little heat, it is therefore ideal not only for products and materials that are heat-sensitive but also for lighting UV-sensitive materials or objects in places like art galleries, museums, and archaeological sites.

High Design Flexibility

LEDs can be combined in any shape to produce highly efficient illumination. Individual LEDs can be dimmed, resulting in a dynamic control of light, colour, and distribution. Well-designed LED illumination systems can achieve fantastic lighting effects, not only for the eye, but also for the mood and the mind.

Low Power Needs

For LED lighting, a low-voltage power supply is adequate. By connecting to an external solar energy source, this facilitates the use of LED lighting outdoors and is a major benefit for lighting requirement in remote or rural areas.

Pursuing strategic in-organic growth opportunities and capturing market opportunity in the growing EV space

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of E2W. However, on November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, but our Company intend to capitalize on our experience in the E2W and as part of business strategy our Company untap the potential in EV segment through acquisition or investment.

Our Company through its Erstwhile subsidiary, Bikewo was engaged in the supply and distribution of E2W. During the Fiscals 2023 and 2022, Bikewo contributed consolidated revenue from operations and profit after tax.

(Amount in ₹ lakhs)

Particulars	**Fiscal 2023**		**Fiscal 2022**	
	Amount	**%**	**Amount**	**%**
Contribution to:				
Revenue of operation	1987.22	75.10	1380.60	30.72
Profit after Tax	9.80	40.23	15.19	5.13

Further, our Company on standalone basis has supplied 1034 E2W to the distributors of the Bikewo under invoicing to Bikewo. During the Fiscals 2024 and Fiscals 2023, on standalone basis, our company generated revenue of ₹490.42 lakhs and ₹355.26 lakhs representing 8.99% and 60.29% of standalone revenue form operation.

Although, we have divested our entire stake in Bikewo on November 11, 2023, we intend to capitalize on our experience in the E2W and untap the potential in EV segment. According the Acuite research, India is the largest market for Two Wheelers (2W) in the world. The key demand drivers in the country are the need for fuel-efficient vehicles, the expanding working women population, the lack of adequate and efficient public transportation systems in Indian cities and towns and rising per capita incomes as well as improving road connectivity in the rural areas of India.

We believe that strategic investments and acquisitions of businesses in the electric vehicle industry may act as an enabler for the growth of our business. We intend to selectively pursue opportunities that will consolidate our market position and enhance our financial position, expand our existing product portfolio and increase our sales, marketing and distribution network, customers and geographical reach and help us in technological advancements.

The 2W market in India has been estimated to have a size of around USD 23 billion (Rs 1.9 trillion) in 2023 and is estimated to reach USD 33.1 billion (Rs 3.0 trillion) in 2028, registering a CAGR of 10.0% in rupee terms and 7.5% in dollar terms (Projections – Acuité Research). Over the next few years, the two wheeler market will be driven by steady replacement of petrol 2Ws by EV 2Ws, upgradation from basic models to premium bikes and increasing penetration in the rural and remote areas of the country. *(Source: Acuite Report)*

The market for electric three-wheelers in India was estimated to be ~ Rs 61.1 billion (US$ 750 million) and has grown further to Rs 128.6 billion (USD 1.57 billion). The rising costs of a range of transport fuels, like diesel, gasoline, LPG, CNG etc along with the increased sensitivity of their environmental impact have led to an increasing trend towards electric three wheelers in the country. In addition, the market growth is supported by an increasing number of initiatives and awareness programs undertaken by the Indian government in order to reduce GHG emissions from fossil fuel driven vehicles. In India, the 3W segment is experiencing a structural shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs). This shift is also evident in the notable rise in e-rickshaws across various parts of the country. In India, the market share of the overall electric vehicles (EVs) is significantly dominated by E3Ws. Specifically, the E3W passenger segment holds 59.4% of the cumulative market share until FY2022, while the E3W cargo segment contributes an additional 4 percent. The growth outlook for electric three-wheelers in India is strongly positive. The Indian government has set ambitious targets for electric vehicle adoption, aiming for a significant share of electric vehicles on the road by 2030. The growth is expected to be supported by ongoing government incentives, expanding charging infrastructure, reducing battery costs, and the competitive operating costs of electric vehicles. Acuité Research has projected the EV-3W volumes in India for the next 5 years. It expects a strong annualised volume growth of 25.8% in this sector driven by improving cost economics of battery operated vehicles. While exports of 3W-Evs are limited in scale at this stage (13,930 units in Fy23), it is projected to grow at a CAGR of 40% over the next 5 years. The size of the Indian 3W-EV industry is expected to grow significantly from Rs 191.1 billion (USD 2.3 billion) in FY24E to Rs 535.3 billion (USD 6.1 billion) in FY28. *(Source: Acuite Report)*

While this would be a component of our strategy, we presently do not have any legally binding commitments to enter into any such investments or acquisitions in electric vehicle. We intend on identifying and pursuing such opportunities, which will allow us to diversify into different segment, expand our product portfolio, increase the visibility of our products, thus increasing our market share and creating value for our shareholders. In pursuance of the same, we may use the proceeds of the Issue for business purposes, including but not limited to, working capital requirement, general corporate purposes and expansion of our business through inorganic growth. For further details, please see section titled "*Use of Proceeds*" on page 79.

Diversify our customer base for LED lights & displays and expand across geographies

As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. We intend to selectively focus on our expansion in LED lights & displays. In our opinion, these markets offer us the ability to market our premium LED offerings. We intend to achieve this expansion by employing dedicated sales and marketing teams whose primary focus will be on business development in international markets, particularly, in our focus geographies. We will also look for new partners in our focus markets to establish a local

presence, and, in certain markets. We have proposed to an integrated oil company in India and petroleum company for, which are under consideration, setting up LED boards for advertisements at their outlets on a profit-sharing basis.

Our efforts at diversifying into newer segments of our existing business or into new domestic markets may be facilitated by investing in similar business opportunities or making acquisitions of existing brands or businesses with manufacturing units, market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our existing business.

Continue to focus in D&D

The success of our products will depend on several factors, including our ability to engineer them to the high standards requirement by regulators, certifying agencies and our customers, to properly anticipate customer needs; to obtain timely regulatory approvals; to establish collaborations with suppliers and customers; to develop and manufacture our products in a timely and cost-effective manner through our product development efforts; and to market and sell our products successfully.

In addition, the development and commercialisation of our products are characterised by significant upfront costs, including costs associated with product development activities, obtaining regulatory approvals and certifications and building manufacturing processes. The components and products that we manufacture are subject to technological change. These changes may affect the demand for our products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends.

As part of our strategy and to cater to the changing customer preferences and market trends, we aim to continue to focus and invest in our D&D initiatives to develop new products and to enhance production and cost efficiencies of our customer's product suites. In addition, we are actively looking to add employees to our D&D team. Through our focus on D&D and developing products with our customers, we will be able to continually innovate our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. Further, by developing products with our customers and by offering a broad range of products, we are able to increase customer dependence on us and position ourselves as a preferred supplier.

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "*Financial Statements*" on page 234. Please see sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 93 and 234, respectively, for further details:

AUDITED STANDALONE FINANCIAL STATEMENTS

Summary of standalone balance sheet information:

(in ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS			
1. Non-Current Assets			
Property, Plant & Equipment	2,574.24	4,095.33	4,375.73
Capital Work in Progress	-	2.49	0.00
Other Intangible Assets	13.11	12.36	3.28
Intangible Assets under development	9.60	275.27	0.00
Financial Assets			
(i) Investments	-	332.90	332.90
(ii) Other Financial Assets	928.09	153.32	21.46
Deferred Tax Assets (Net)	4,410.54	-	-
Other Non-Current Assets	32.44	12.00	7.18
Total Non-Current Assets	**7,968.02**	**4,883.67**	**4,740.54**
2. Current Assets			
Inventories	801.05	834.49	274.66
Financial Assets			
(i) Trade receivables	2,531.93	230.80	129.26
(ii) Cash & Cash Equivalents	89.20	33.32	12.31
(iii) Bank balances other than (ii) above	684.67	57.75	82.78
(iv) Loans	173.67	661.85	800.00
(v) Other Financial Assets	18.41	(24.74)	-
Other Current Assets	1,808.95	602.78	303.44
Total Currents Assets	**6,107.88**	**2,396.25**	**1,602.44**
TOTAL ASSETS	**14,075.90**	**7,279.92**	**6,342.99**
EQUITY AND LIABILITIES			
1. Equity			
Equity Share Capital	4,428.93	4,428.93	4,428.93
Other Equity	7,767.27	1,583.04	1,568.08
Non-controlling interest	-	-	-
Total Equity	**12,196.20**	**6,011.97**	**5,997.01**
2. Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	15.52	-	-
Long Term Provisions	22.78	15.74	6.66
Deferred Tax Liabilities (net)	-	-	-
Total Non-current Liabilities	**38.30**	**15.74**	**6.66**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1,144.72	1,056.02	100.00
(ii) Trade Payables	336.11	31.38	42.13

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
(iii) Other Financial Liabilities	39.32	66.95	41.88
Other Current Liabilities	319.85	147.34	155.32
Current Provisions	1.40		
Income Tax Liabilities (net)	-	-	-
Total Current Liabilities	**1,841.40**	**1,301.69**	**339.32**
TOTAL EQUITY & LIABILITIES	**14,075.90**	**7,329.41**	**6,342.99**

Extract from the Audited Standalone Financial Statements for Fiscals 2024, 2023 and 2022, prepared in accordance with the IND AS.

Summary of standalone statement of profit and loss information:

(in ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Income			
Revenue from operations	5,457.48	589.22	3114.10
Other income	199.13	190.53	119.47
Total income	**5,656.61**	**779.75**	**3233.57**
Expenses			
Cost of materials consumed	2,716.26	569.43	1971.45
Purchase of stock-in-trade	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	208.74	(529.85)	(12.73)
Employee benefits expense	546.03	221.88	203.30
Finance cost	164.11	50.27	113.88
Depreciation and amortisation expense	154.08	204.42	260.58
Other expenses	755.01	249.04	416.01
Total expenses	**4,545.24**	**765.19**	**2952.48**
Profit/(Loss) before exceptional items and tax	**1,111.38**	**14.56**	**281.09**
Exceptional Items	661.96	-	-
Profit/ (Loss) before tax	**1,773.34**	**14.56**	**281.09**
Tax expense, comprising			
Current tax		-	-
Tax of earlier years written back		-	-
Deferred tax Asset	4,410.54	-	-
Total tax expense	4,410.54	-	-
Profit/(Loss) for the year	**6,183.88**	**14.56**	**281.09**

Extract from the Audited Standalone Financial Statements for Fiscals 2024, 2023 and 2022, prepared in accordance with the IND AS.

Summary of standalone statement of cash flows information:

(in ₹ lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash Flow from Operating Activities			
Profit / Loss before Income tax from continued operations	1,773.34	14.56	281.09
Re-measurement gain/(loss) of defined benefit plans	0.35	0.40	-
Effect of currency translation on consolidation	-	-	-
Profit before Income tax	**1,773.69**	**14.96**	**281.09**
Adjustments for non cash/ non operational expenses:			
Depreciation & amortisation expenses	154.08	204.42	260.58
Decrease on account of cessation of MIC Electronics Inc	-	-	-
Financial Charges	164.11	50.27	113.88

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Interest received /Other Income	81.66	102.32	32.64
Operating Profit before Working Capital Changes	**2,173.54**	**371.97**	**688.18**
Adjustments for working capital changes			
(Increase)/Decrease in Investments	332.90	0.00	(332.90)
(Increase)/Decrease in Trade Receivables	(2,301.13)	(101.55)	266.82
(Increase)/Decrease in Inventories	33.44	(559.83)	(85.64)
(Increase)/Decrease in Loans	488.18	138.15	(800.00)
(Increase)/Decrease in Other financial assets	(768.43)	(131.86)	194.48
(Increase)/Decrease in Other Non Current Assets	(20.44)	(4.82)	(1.64)
(Increase)/Decrease in Other Current Assets	(1,206.16)	(324.08)	(168.87)
Increase/(Decrease) in Trade Payables	304.73	(10.75)	(21.18)
Increase/(Decrease) in Provisions	7.04	9.09	6.66
Increase/(Decrease) in borrowings	-	0.00	(2608.16)
Increase/(Decrease) in Other financial liabilities	(27.63)	25.08	(2799.18)
Increase/(Decrease) in Other Current Liabilities	173.91	(7.97)	(60.43)
Increase/(Decrease) in Deferred Tax Asset	(4,410.54)	-	-
Cash generated from Operations	**(7,394.15)**	**(968.55)**	**(6410.04)**
Financial Charges paid	(164.11)	(50.27)	(113.88)
Direct Taxes paid	4,410.54	-	-
Net Cash Flow from operating activities	**(974.19)**	**(646.86)**	**(5835.73)**
B. Cash Flow from Investing Activities			
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	1,366.26	66.90	(7.01)
(Increase) / Decrease of Capital Work-in-Progress	2.49	(2.49)	-
Intangible assets under development	265.27	(275.27)	-
Interest Received/Other Income	(81.66)	(102.32)	(32.64)
Net Cash Flow from Investing Activities	**1,552.77**	**(313.18)**	**(39.65)**
C. Cash Flow from Financing Activities			
Proceeds from borrowings	104.22	956.02	(70.12)
Deposits paid towards LCs & BGs	(626.92)	25.02	8.27
Increase/(Decrease) in capital reserve	0.00	0.00	3303.81
Non-controlling interest	-	-	-
Increase/(Decrease) in other equity	-	-	-
Increase/(Decrease) in Share Capital	-	-	23.84
Increase/(Decrease) in Share Premium	-	-	2611.55
Net Cash Flow from financing activities	**(522.69)**	**981.04**	**5877.35**
Net Increase in Cash and Cash equivalents	55.89	21.01	1.96
Cash and Cash equivalents as at the beginning of the year	33.32	12.31	10.35
Cash and Cash equivalents as at the end of the year	**89.20**	**33.32**	**12.31**

Extract from the Audited Standalone Financial Statements for Fiscals 2024, 2023 and 2022, prepared in accordance with the IND AS.

AUDITED CONSOLIDATED* FINANCIAL STATEMENTS

***. As of the March 31, 2024, the Company does not have any subsidiary company. Hence the audited consolidated financial statements for Fiscal 2024 is not available.*

Summary of consolidated balance sheet information:

(in ₹ lakhs)

Particulars	March 31, 2023	March 31, 2022
ASSETS		
1. Non-Current Assets		

Particulars	March 31, 2023	March 31, 2022
Property, Plant & Equipment	4,319.97	4,692.57
Capital Work in Progress	709.37	462.39
Other Intangible Assets	21.94	14.47
Intangible Assets under development	275.27	-
Financial Assets		
(i) Investments	-	-
(ii) Other Financial Assets	153.32	21.46
Other Non-Current Assets	13.80	9.57
Total Non-Current Assets	**5,493.68**	**5,200.45**
2. Current Assets		
Inventories	1,575.87	786.85
Financial Assets		
(i) Trade receivables	281.57	134.50
(ii) Cash & Cash Equivalents	37.16	14.35
(iii) Bank balances other than (ii) above	57.75	82.78
(iv) Loans	704.94	844.67
(v) Other Financial Assets	-	-
Other Current Assets	589.01	443,89
Total Currents Assets	**3,246.31**	**2,307.03**
TOTAL ASSETS	**8,739.98**	**7,507.48**
EQUITY AND LIABILITIES		
1. Equity		
Equity Share Capital	4,428.93	4,428.93
Other Equity	1,873.28	1,848.52
Non-controlling interest	100.00	100.00
Total Equity	**6,402.70**	**6,377.45**
2. Liabilities		
Non-current Liabilities		
Financial Liabilities		
(i) Borrowings	180.48	235.01
Long Term Provisions	15.74	6.66
Deferred Tax Liabilities (net)	3.42	2.46
Total Non-current Liabilities	**199.64**	**244.13**
Current Liabilities		
Financial Liabilities		
(i) Borrowings	1,435.76	479.95
(ii) Trade Payables	57.83	50.53
(iii) Other Financial Liabilities	111.94	115.32
Other Current Liabilities	532.60	222.88
Income Tax Liabilities (net)	-	17.25
Total Current Liabilities	**2,138.13**	**885.92**
TOTAL EQUITY & LIABILITIES	**8,739.98**	**7,507.48**

Extract from the Audited Consolidated Financial Statements for Fiscals 2023, and 2022 and, prepared in accordance with the IND AS.

Summary of consolidated statement of profit and loss information:

(in ₹ lakhs)

Particulars	March 31, 2023	March 31, 2022
Income		
Revenue from operations	2,290.81	4,494.70
Other income	194.34	130.58
Total income	**2,485.15**	**4,625.28**

Particulars	March 31, 2023	March 31, 2022
Expenses		
Cost of materials consumed	569.43	1,971.45
Purchase of stock-in-trade	1,693.16	1,224.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(759.04)	(192.92)
Employee benefits expense	344.61	314.82
Finance cost	79.04	173.42
Depreciation and amortisation expense	237.39	291.21
Other expenses	294.32	539.89
Total expenses	**2,458.91**	**4,322.06**
Profit/(Loss) before exceptional items and tax	26.24	303.23
Exceptional Items	-	-
Profit/ (Loss) before tax	**26.24**	**303.23**
Tax expense, comprising		
Current tax	-	4.39
Tax of earlier years written back	0.92	-
Deferred tax Liability	(0.96)	(2.56)
Total tax expense	1.88	(6.95)
Profit/(Loss) for the year	**24.36**	**296.28**

Extract from the Audited Consolidated Financial Statements for Fiscals 2023 and 2022 prepared in accordance with the IND AS.

Summary of consolidated statement of cash flows information:

(in ₹ lakhs)

Particulars	March 31, 2023	March 31, 2022
A. Cash Flow from Operating Activities		
Profit / Loss before Income tax from continued operations	24.76	296.28
Effect of currency translation on consolidation	-	-
Profit before Income tax	**24.76**	**296.28**
Adjustments for non cash / non operational expenses:		
Depreciation & amortisation expenses	237.39	291.21
Decrease on account of cessation of MIC Electronics Inc	-	(723.98)
Financial Charges	79.04	173.42
Interest received /Other Income	102.32	32.64
Operating Profit before Working Capital Changes	**443.50**	**69.57**
Adjustments for working capital changes		
(Increase)/Decrease in Investments	-	752.15
(Increase)/Decrease in Trade Receivables	(147.07)	261.58
(Increase)/Decrease in Inventories	(789.02)	(597.83)
(Increase)/Decrease in Loans	139.72	(844.67)
(Increase)/Decrease in Other financial assets	(131.86)	194.48
(Increase)/Decrease in Other Non Current Assets	(4.23)	(4.04)
(Increase)/Decrease in Other Current Assets	(145.12)	(241.43)
Increase/(Decrease) in Trade Payables	7.30	(108.54)
Increase/(Decrease) in Provisions	9.09	6.66
Increase/(Decrease) in borrowings	(54.53)	(2.373.15)
Increase/(Decrease) in Other financial liabilities	(3.37)	(2,726.09)
Increase/(Decrease) in Other Current Liabilities	309.72	7.13
Increase/(Decrease) in Deferred Tax Asset	0.96	-
Cash generated from Operations	**(808.41)**	**(5,673.76)**
Financial Charges paid	(79.04)	(173.42)
Direct Taxes paid	(17.25)	19.71
Net Cash Flow from operating activities	**(461.20)**	**(5,757.89)**
B. Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of	127.73	(365.67)

Particulars	March 31, 2023	March 31, 2022
Sale proceeds)		
(Increase) / Decrease of Capital Work-in-Progress	(246.98)	(462.39)
Intangible assets under development	(275.27)	-
Interest Received/Other Income	(102.32)	(32.64)
Net Cash Flow from Investing Activities	**(496.83)**	**(860.71)**
C. Cash Flow from Financing Activities		
Proceeds from borrowings	955.81	309.82
Deposits paid towards LCs & BGs	25.02	8.27
Increase/(Decrease) in capital reserve	-	3,303.81
Non-controlling interest	-	23.84
Increase/(Decrease) in other equity	-	100.00
Increase/(Decrease) in Share Capital	-	77.15
Increase/(Decrease) in Share Premium	-	2,800.00
Net Cash Flow from financing activities	**980.84**	**6,622.54**
Net Increase in Cash and Cash equivalents	22.81	3.94
Cash and Cash equivalents as at the beginning of the year	14.35	10.40
Cash and Cash equivalents as at the end of the year	**37.16**	**14.35**

Extract from the Audited Consolidated Financial Statements for Fiscals 2023 and 2022 prepared in accordance with the IND AS.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements in accordance with Indian Accounting Standard ("**Ind AS**") notified under the Ind AS Rules read with Section 133 of the Companies Act, please see section titled "*Financial Statements*" on page 234.

RISK FACTORS

An investment in equity shares involves a high degree of risk. Bidders should carefully consider all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. Please see section titled "Forward-Looking Statements" on page 16. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 163, 126 and 93, respectively, as well as the other financial and statistical information contained in this Placement Document.

*As on April 01, 2021, our Company had one wholly owned subsidiary, MIC Electronics Inc., USA and the said subsidiary has been wound up and dissolved under the laws of the state of California, USA w.e.f. June 21, 2021. During the financial year 2022, our Company had acquired 50.99% equity stake in Bikewo Green Tech Private Limited ("**Bikewo**") (formerly known as M/s. Right Automobiles Pvt Ltd), which became our Erstwhile subsidiary. Our Company subsequently sold the equity stake in the Bikewo on November 11, 2023. As of the March 31, 2024, the Company does not have any subsidiary company. In view of above acquisition/divestment/winding up of our subsidiaries, unless the context requires otherwise or indicated otherwise, the financial information in this Placement Documents disclosed from (i) the Audited Consolidated Financial Statements for the Fiscal ended 2023 and 2022 and (ii) Audited Standalone Financial Statements for the Fiscal ended 2024, 2023, and 2022.*

Further, as on date of this Placement Document the Company has one Wholly Owned Subsidiary, SOA Electronics Trading LLC which has been incorporated under the laws of Dubai, UAE on May 22, 2024. The Wholly Owned Subsidiary has not commenced its business operations as on date of this Placement Document.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless otherwise stated or context require otherwise, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Erstwhile subsidiary, on a consolidated basis. Unless otherwise stated or context require otherwise, references in this section to "Issuer", "our Company", MIC" are to our Company, on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "LED Lights, Display, 2W EV, 3W EV" dated May 5, 2024, (the "**Acuite Report**") prepared and issued by Acuite Ratings & Research Limited, appointed by us, exclusively commissioned and paid for by us in connection with the Issue.*

Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implications of any of the risks described in this section.

Internal Risk Factors - Risks related to our Business

1. ***We are dependent on, and derive a substantial portion of our revenue from, limited number of customers and over 90.00% our revenue is derived from our top ten customers. Cancellation of any orders by our top customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.***

We are dependent on a limited number of customers. During Fiscals 2024, 2023 and 2022, we have generated revenue from limited number of customers. The following table depicts our revenue from operations, from top five customers and top ten customers on consolidated basis:

Consolidated basis:

(Amount in ₹ lakhs)

Customers	**Fiscal 2023**		**Fiscal 2022**	
	Amount	***% of the total revenue***	***Amount***	***% of the total revenue***
From Ten Customer	496.31	21.67	3,105.21	69.09
From Five Customer	318.04	13.88	3,099.66	68.96

The following table depicts our revenue from operations, from top five customers and top ten customers on standalone basis:

Standalone basis

(Amount in ₹ lakhs)

Customers	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount	***% of the total revenue***	***Amount***	***% of the total revenue***	***Amount***	***% of the total revenue***
From Ten Customer	5,282.32	96.79	567.87	96.38	3,105.21	99.71
From Five Customer	5,222.63	95.70	533.29	90.51	3,099.66	99.54

In the year 2018, our Company went under a Corporate Insolvency Resolution Process ("**CIRP**"). Thereafter, Resolution Plan submitted by our current Promoters was approved by Hon'ble NCLT vide its order dated July 31, 2019, subsequently, on August 7, 2019, a new Board was constituted. The current Promoters and management resumed control of operations during the Fiscal 2022 and procured order for supplying 5,000 oxygen concentrators to one of the largest crude oil and natural gas company, which was successfully completed by our Company. During Fiscal 2022, our Company generated revenue of ₹2,987.38 lakhs from sale of oxygen concentrators one time order received from one of the largest crude oil and natural gas company which constituted 66.46% and 95.93% of total revenue from operations, on a consolidated and standalone basis, respectively.

During the Fiscal 2023, our Company procured the IPIS project and received all the approvals for executing the project. As on date of Placement Document, our largest customer in our LED segment is Indian Railways. During Fiscal 2024 and 2023, our Company generated revenue of ₹4,549.91 lakhs and ₹54.53lakhs from Indian Railway which constituted (i) 83.37% and 9.25%, on a standalone revenue of operation, respectively, and As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways representing 68.99% of total Order Book.

We expect that in the future a limited number of customers will continue to comprise a significant percentage of our operating revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.

Further, when anticipated orders fail to materialize, it can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Our profitability also depends on the growth and performance in business of our key customers. We rely on the success of our customers in the marketing and selling of these products and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our top customers could harm us as well, including, recession in the geographies in which our key customers operate their businesses,

our key customers' inability to effectively manage their operations or changes in laws and policies affecting our customers to operate profitably.

2. ***In the past we have derived revenue from the multiple segments and and there is no consistency in revenues from one business segment. Our inability to maintain consistency in revenues from our businesses may adversely affect our business, results of operations and financial condition.***

During Fiscal 2022, our Company received one time order for sale of oxygen concentrators which generated revenue of ₹2,987.38 lakhs. Further the sane Fiscal 2022 year, our Company acquired 50.99% shareholding in Bikewo Green Tech Private Limited ("**Bikewo**") and ventured into business of electrical vehicle. During the Fiscal 2023, our Company procured the IPIS project and received necessary approvals for executing the project and started to supply LEDs display and other products to Indian Railways. In the last three fiscals, we generated income from diverse activities which are completely independent of each other. Our segmental revenue details for the Fiscals March 31, 2023 and 2022 respectively on consolidated basis and for the Fiscals March 31, 2024, 2023 and 2022 on Standalone basis, are set out below:

Consolidated basis:

(Amount in ₹ lakhs)

Particulars	***Fiscal 2023***		***Fiscal 2022***	
	Amount	***% of the total revenue***	***Amount***	***% of the total revenue***
LED Product	295.19	12.89	126.72	2.82
Medical appliance	8.40	0.37	2,987.38	66.46
Auto mobiles*	1987.22	86.74	1,380.60	30.72
Total	**2,290.81**	**100.00**	**4,494.70**	**100.00**

Standalone basis:

(Amount in ₹ lakhs)

Particulars	***Fiscal 2024***		***Fiscal 2023***		***Fiscal 2022***	
	Amount	***% of revenue***	***Amount***	***% of revenue***	***Amount***	***% of revenue***
LED Product	4,965.47	90.98	174.62	29.64	126.72	4.07
Medical appliance	1.60	0.03	8.40	1.43	2987.38	95.93
Auto mobiles*	490.41	8.99	406.20	68.93	-	-
Total	**5,457.48**	**100.00**	**589.22**	**100.00**	**3,114.10**	**100.00**

* *Our Board vide its resolution dated November 11, 2023, has disinvested its entire stake in its Erstwhile subsidiary i.e., Bikewo Green Tech Private Limited.*

Our Company's diverse businesses would challenge the ability and capability of our management in the absence of single segment operations and consistency of revenues. Varied and diverse operations will have different financial, material and human resource requirements which at times our management may not be able to provide leading to organic growth issues over a period of time.

3. ***Our Company has only one manufacturing facility and our LED business is dependent and will continue to depend on our manufacturing facility. Our Company is subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, injury to employees, severe weather conditions and natural disasters. In addition, any strikes, work stoppages or increased wage demands by our employees could also interfere with our operations.***

Our Company has manufacturing facility located in Cherlapally, Hyderabad to design and develop LED products. Our LED business is dependent upon our ability to manage our manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown or failure of equipment, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Our manufacturing processes involve heavy machinery that may result in accidents, which could cause injury to our

employees, contract labour and other persons at our manufacturing facilities and warehouses or that could also damage our equipment, machines and properties. During the last three years, there have been no instances of accidents that occurred at the manufacturing facilities. However, in the event of any such accidents in future, our business operations may be interrupted, and this may adversely affect our production schedules, costs and sales and our ability to meet customer demand. In addition, any such accidents may expose us to civil or criminal liability, which could have an adverse effect on our business, financial condition and results of operations.

As on April 30, 2024, we had 82 permanent employees and 65 contract workers working in our manufacturing facilities/offices. The success of our operations depends on availability of labour and good relationships with our labour force. As of April 30, 2024, our employees are not members of any organised labour unions. Shortage of skilled or unskilled personnel or increased wage demands could have an adverse effect on our business and results of operations. In addition, work stoppages caused by disagreements with employees like strikes and lockouts may adversely affect our operations. Although we have not had instances of strikes and labour disputes during the last three Fiscals. we may experience strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, results of operations and financial condition. In addition, we may also face protests from local citizens at our existing manufacturing facility or while setting up new facilities, which may delay or halt our operations.

Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

4. Our Company depends on the Indian Railways for a significant portion of contracts which are awarded on a tender basis. There is no assurance that our bids will be accepted, and future contracts will be awarded to us by Indian Railways. This may result in an adverse effect on our business growth, financial condition and results of operations.

Our business heavily depends on the acceptance of bids submitted to the Indian Railways. Further, As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Indian Railways had already achieved its target of 100% LED lighting across its network by March 2018. This has helped the Railways save ₹ 500 million per annum in electricity bills and reduce carbon dioxide (CO2) emissions by 60,000 tons. Currently, it has initiated a rail station development programme called 'Amrit Bharat Railway Stations'. The entire project covers redevelopment works at 1,309 stations across the country with the first 508 train stations across 27 states and union territories to need an investment of ₹244.7 billion (USD 3 billion). The redevelopment will provide modern passenger amenities along with ensuring better traffic management, intermodal integration and signage particularly for passengers with reduced mobility. Works at the selected stations will include the modernisation of buildings, new platforms and better seating areas along with upgraded waiting rooms. This will continue to drive demand for LED lighting solutions from Indian Railways including those required for signalling systems. (*Source: Acuite Report*). Our railway related projects are awarded by the Indian Railways through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria such as experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts. The timing of such awards of such projects are unpredictable and outside of our control.

We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we may be subject to the risk of losing new awards to competitors. There is also a risk that revenue may not be derived from awarded projects as quickly as anticipated. Also, any cancellation or suspension of an order by a customer may also affect our revenue and financial condition.

5. ***Our Company rely on a number of third-party suppliers for our LED key components, component or raw materials for LED products and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our LED components and raw materials for LED products or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

Our principal raw materials for LED products include diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminum dye cast and extruded aluminum, various metals, electrical and electronic components. The following table depicts our cost of material during the Fiscals 2024, 2023 and 2022, on a standalone basis:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of materials consumed (*in ₹ lakhs*)	2,716.26	569.43	1,971.45
% of our revenue from operations	49.79%	96.64%,	63.31%

Note: MIC only designing and developing the LEDs product

Our Company relies on a limited number of suppliers for our raw materials, components and stock-in-trade, which are an integral part of our LED products, as well as suppliers for our customer support services. Our Company has purchased 62.69%,42.13% and 97.05% of our raw material from our top ten suppliers during Fiscals 2024, Fiscal 2023 and Fiscal 2022, respectively, on a standalone basis. While we have not in past three financial years, encountered problems with availability, and our sourcing team has mitigated these risks by increasing inventory for some of these materials, this does not mean that we will continue to have timely access to adequate supplies of essential materials and components in the future or that supplies of these materials and components will be available on satisfactory terms when needed.

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

Our Company does not have any long-term contracts with our third-party suppliers. Prices are negotiated for each purchase order, and we generally have more than one supplier for each component or raw material. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

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

6. In the past, our Company was subjected to a CIRP proceeding, which had an impact on our operations and cash flow.

In the year 2018, our Company went through a CIRP proceeding, and in the year 2019, the Resolution Plan of our current Promoters was accepted and on July 6, 2021, a new Board of Directors was constituted. During this time-period, functioning as well as cash flow of the Company were highly impacted and were under the control of the Resolution Professional ("RP"). Further, during this period, our Company did not have access to working capital and therefore its ability to do business was severely compromised and investments into future products, improvement and growth was also curtailed. The current Promoters and management resumed control of operations during the fiscal 2022 and procured one time order of oxygen concentrators 5,000 oxygen concentrators from one of the largest crude oil and natural gas company which was successfully completed by our Company. During Fiscal 2022, our Company also acquired 50.99% shareholding in Bikewo Green Tech Private Limited ("**Bikewo**") and ventured into business of electrical vehicle. Subsequently, during the fiscal 2023, our Company has procured the project IPIS during the fiscal 2023 and received all the approvals for executing the project. Additionally, the current Promoters and management have taken certain other actions to improve the business and operations of the Company, including availing certain credit facilities and have been able to achieve profit worth ₹24.36 lakhs and ₹296.28 lakhs in Fiscals 2023 and Fiscal 2022, respectively, on a consolidated basis. The current Promoters and management were able to achieve profit worth ₹ 1773.34 lakhs, ₹14.56 lakhs and ₹281.09 lakhs in Fiscals 2024, Fiscals 2023 and 2022, respectively, on a standalone basis. There is no assurance that the current Promoters and the management will be able to successfully implement its business strategies and maintain the business of the Company as profitable

7. Our Company's LED business is dependent on our design and development ("D&D") activities for our future success. If our Company does not successfully design and develop new products in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.

Our D&D team focuses on product designing, die and mould designing, electronic circuit designing and prototype designing. As on April 30, 2024, our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

Our D&D team has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. We believe that innovation and applied engineering continue to be the key determinant for our success. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. We may encounter unexpected delays in the development of new products and these new products may not perform as we expect.

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

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

As part of our strategy and to cater to the changing customer preferences and market trends, we intend to introduce various new product offerings in near future. However, there is possibility that we may miss a market opportunity because we failed to invest, or invested too late, or were unable to enter into an arrangement with a technology

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

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

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

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

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

***9.* Subsequent divestment of our stake in Erstwhile Subsidiary may affect our business and results of operations adversely.**

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo Green Tech Private Limited ("**Bikewo**") pursuant to which Bikewo became our Erstwhile subsidiary. As a result of the investment, our audited consolidated financial statements for the Fiscal 2023 and 2022 consolidate the operations of Bikewo are as below.

Particulars	**Fiscal 2023**		**Fiscal 2022**	
	Amount (in ₹ lakhs)	**%**	**Amount(in ₹ lakhs)**	**%**
Contribution				
Revenue of operation	1,987.22	75.10	1,380.60	30.72
Profit after Tax	9.80	40.23	15.19	5.13

Further, our Company on a standalone basis has also supplied 1034 E2W to the distributors of the Bikewo under invoicing to Bikewo. During the Fiscal 2024 and Fiscal 2023, our company generated revenue of ₹490.41 lakhs and ₹355.26 lakhs representing 8.99% and 60.29% of standalone revenue form operation. However, on November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. In view of the above, the said divestment may have an adverse impact on our business, financials and results of operations.

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

We are dependent on a qualified, technical, experienced, and capable management team for setting our strategic business direction and managing our business. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals.

Without enough skilled employees, our operations and manufacturing quality could suffer. Competition for qualified technical personnel as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Our Company's attrition in Fiscals 2024, 2023 and 2022 was 5.06%, 9.42% and 3.09%, respectively, on a standalone basis. The loss of the services of our key personnel or our inability to recruit or train enough experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our business, results of operations and financial condition. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products for our customers, we will need to continue to attract and retain experienced management, engineering, D&D and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Placement Document, we have employees' group accidental insurance policy for all the employees of the Company. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, please see section titled "*Board of Directors and Senior Management Personnel*" on page 177.

11. Any irregularities or delay in RoC filings may expose us to penalties from the regulators.

As a Company, we are required to file various forms with the RoC under the provisions of the Companies Act, 2013, including but not limited to form DIR-12 in respect of the appointment of chief financial officer. However, there has been an instance in the past where such DIR-12 form was not filed with the RoC with respect to appointment of chief financial officer during the implementation of resolution plan pursuant to the technical challenges faced by the Company. We cannot assure you that such irregularities will not occur in future and such delay in filing the forms and / or any irregularities may expose our Company to fines and penalties from regulators.

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

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

We may also be subject to product liability claims in the event that the failure, use, or misuse of our products results, or is alleged to result, in death, bodily injury, property damage, or economic loss. But no such claim has been received in past three years. Our Company does not maintain product liability coverage. Additionally, such insurance may become difficult to obtain or be unobtainable in the future on terms acceptable to us. A successful product liability claims or series of claims against us, including one or more consumer claims purporting to constitute class actions or claims resulting from extraordinary loss events, in excess of or outside our insurance coverage, or a significant warranty claim or series of claims against us, could materially and adversely affect our business, results of operations and financial condition.

13. Our manufacturing facility is located in Cherlapally, Hyderabad exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.

As on date of this Placement Document, our LEDs products manufacturing facility is located in Cherlapally, Hyderabad. Accordingly, our manufacturing and D&D operations are concentrated in the said geographic area. This concentration heightens our exposure to adverse developments related to regulation, as well as economic, demographic and other changes in the said location as well as the occurrence of natural and man-made disasters, which may adversely affect business, results of operations and financial condition. Our manufacturing and D&D operations require significant labour and are also reliant on government policies in terms of taxes, duties and

incentives made applicable by the state government. As a result, any unfavourable policies in Hyderabad, could adversely affect our business, results of operations and financial condition. Furthermore, there have been social and civil unrest in the past within the state and such tensions could lead to political or economic instability and a possible adverse effect on our business, results of operations and financial condition. There can be no assurance that such situations will not recur or be more intense than in the past.

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

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

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

15. The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects.

Our Company's manufacturing facility has been accredited with management system certificates for compliance with ISO 9001:2015 (quality management system) valid until September 12, 2024. This certification is typically valid for a period of three years from the date of decision with surveillance audits conducted once a year. Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products and also required to be maintained under certain purchasing agreements with our customers for specific products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, in a timely manner, or at all, our business and prospects may be adversely affected.

16. Any adverse change in regulations governing our products and the products of our customers may adversely impact our business prospects and result of operations.

Our Company is a qualified and an RDSO approved supplier of IPIS to Indian Railways. Since, we function in the railway industry, our products and business operations are highly regulated by RDSO and the Ministry of Railways, Government of India. Accordingly, the regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and their usage by our customers may have an adverse impact on our operations. Our Company may be required to alter our manufacturing process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers.

We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to forced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt

of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

17. We have been subject to various litigation, regulatory and other proceedings and same are pending at various level of adjudication.

There are outstanding legal proceedings involving us. These proceedings are pending at different levels of adjudication before various judicial authorities, from which further liability may arise. The amounts involved in these proceedings have been summarized to the extent ascertainable and quantifiable. For further details, please see section titled "*Legal Proceedings*" on page 228.

A summary of outstanding legal proceedings involving us is as follows:

Litigations against our Company:

(in ₹ lakhs)

Nature of Litigation	*Number of outstanding cases*	*Amount involved in such proceedings, to the extent quantifiable*
Criminal	Nil	Nil
Material Civil	1	8,000.00
Action by statutory or regulatory authorities	1	75.88
Total	**2**	8,075.88

Litigation filed by our Company:

(in ₹ lakhs)

Nature of Litigation	*Number of outstanding cases*	*Amount involved in such proceedings, to the extent quantifiable*
Criminal	Nil	Nil
Material Civil	4	8,135.00
Action by statutory or regulatory authorities	Nil	Nil
Total	**4**	8,135.00

It is possible that proceedings may be initiated in the future consequent to any lapse by our Company, any adverse decision in such proceedings may affect our Company.

We cannot assure you that any of these proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. Such proceedings could, however, divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. While there has been no such adverse outcome in such proceedings in the past, however we cannot assure you there will not be adverse decision against our Company in the future.

18. If we fail to comply with the product specifications, delivery schedules and production standards prescribed by our customers, we may be faced with liabilities and adverse consequences, including monetary penalties, and loss of our customers, which could have a material adverse effect on our business, financial condition and results of operations.

Some of our customers, such as the Indian Railways, require us to furnish performance security under their purchase orders in the form of security deposits in cash, surety guarantees and performance bank guarantees. Orders from the Indian Railways also provide for liquidated damages and monetary penalties for failure to adhere to delivery timelines. We also face the risk of being de-registered by the Indian Railways, and hence losing their custom, if our manufacturing facility or products do not meet their standards or specifications. Further, typically, under the terms of our purchase orders, our customers have the right to reject goods that have not been cleared by the inspection agencies designated by them or that do not meet their specifications or are not delivered on time. In essence, if we fail to meet the stipulated delivery timelines and product specifications or standards, we may face monetary claims, forfeiture of security deposits, invocation of performance bank guarantees, rejection of goods and de-registration by our customers or loss of our customers that could have a material adverse effect on our business, financial condition and results of operations.

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

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

- Continue to focus on expanding our LED products portfolio;
- Pursuing strategic in-organic growth opportunities and capturing market opportunity in the growing EV space;
- Diversify our customer base for LED lights & displays and expand across geographies; and
- Continue to focus in D&D.

The aforesaid strategies are subject to certain risks and uncertainties. Our strategies may not succeed due to various factors, many of which are beyond our control, including our inability to reduce our debt and our operating costs, our failure to develop new products with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our suppliers and technology and strategic partners, our failure to effectively market our new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality engineering and consistency in our operations or to ensure scaling of our operations to correspond with our strategies and customer demand, changes in laws and regulations in India, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. Further, for any reason, in the event the benefits we realize are less than our estimates or the implementation of these strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. For further details of our strategies, please see section titled "*Our Business*" on page 163.

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

20. Our Company currently has been involved in certain monitoring actions which may adversely impact our business and reputation.

As a part of SEBI and Stock Exchanges initiative to enhance market integrity and safeguard the interest of investors, the concept of additional surveillance measure (**"ASM"**) was introduced. The ASM list is a list of companies whose securities are being monitored on a daily basis due to factors like price fluctuation, volatility, volume variance, etc. In the past three fiscals, there have been a few instances wherein our Company was shortlisted under both long-term and short-term ASM and enhanced surveillance measure **("ESM")** at different stages. Further, we cannot assure you that any such instance will not occur in future and any such future instance may have loss of reputation and diversion of management's attention or other recourses.

21. We have experienced negative cash flows in the last three fiscal years. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

We have experienced negative cash flows from operating activities in Fiscal 2024, Fiscal 2023 and Fiscal 2022. The following table summarizes our cash flows for Fiscals 2023 and 2022, as per the Audited Consolidated Financial Statements and Audited Standalone Financial Statements:

Standalone basis

(in ₹ lakhs)

Particulars	Fiscals		
	2024	2023	2022
Net Cash Flow from operating Activities	(974.19)	(646.86)	(5,835.73)
Net Cash Flow from/ (used in) investing Activities	1,552.77	(313.18)	(39.65)
Net Cash Flow from/ (used in) financing Activities	(522.69)	981.84	5,877.35
Net increase in cash and cash equivalent	**55.89**	**21.01**	**1.96**

Consolidated basis

(in ₹ lakhs)

Particulars	Fiscal	
	2023	2022
Net Cash Flow from operating activities	(461.20)	(5,757.89)
Net Cash Flow from / (used in) investing Activities	(496.83)	(860.71)
Net Cash Flow from / (used in) financing activities	980.84	6,622.54
Net Increase in Cash and Cash equivalents	**22.81**	**3.94**

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, please see section titled "*Management's Discussion and Analysis of our Financial Condition and Results of Operations – Cash Flows*" on page 112.

22. We have certain contingent liability, and our financial condition and profitability may be adversely affected if the contingent liability materializes.

As of March 31, 2024, our contingent liability amounted to ₹483.00 lakhs, on a standalone basis. The following table sets forth certain information relating to our contingent liability as of March 31, 2024:

Particulars	Amount (in ₹ lakhs)
Corporate Guarantee given to SBI on account of Bikewo Greentech Pvt Ltd	483.00
Total	**483.00**

If the aforesaid contingent liability materializes, our results of operations and financial condition may be adversely affected.

23. Our individual Promoter has provided personal guarantee in connection with our borrowings and the revocation of all or any of such guarantees may adversely affect our business, results of operation and financial condition.

Our individual Promoter, Kaushik Yalamanchili, have provided personal guarantees for certain of our borrowings. If any of these guarantees are revoked, our lenders may require alternative guarantees or cancel such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, results of operations, cash flows and financial condition may be adversely affected by the revocation of all or any of the guarantees provided by our individual Promoter in connection with our Company's borrowings.

24. We are dependent on third party logistics service providers for supply and transportation of our products. Any inability on the part of third-party logistics providers to effectively render their services may adversely impact our operations and business.

We do not have an in-house logistics facility and rely completely on third-party logistics providers for logistic services. These third-party logistic providers assist us in supply and transportation of our products to our distributors and receipt of raw material by us from our suppliers. The logistic services that our third-party logistic providers provide to us are critical to our supply chain and our ability to manage supply chain risk and distribution costs, as well as maintain control and traceability over our products. However, our third-party logistic providers' ability to provide us with these services effectively depends on a number of factors, some of which are beyond their control. To the extent that our third-party logistic providers experience any disruptions or delay in their

operations or are unable to successfully deliver the products due to, for example, disruptions in the technology it uses to manage our supply chain, insufficient labour or transportation resources, non-compliance with licensing or permit requirements, breakdowns in machinery or equipment, factors affecting road transportation or its infrastructure, such as political unrest, bad weather conditions and natural disasters, our ability to deliver products to our distributors could be disrupted, which could adversely affect our business, results of operations and financial condition.

We generally believe that enough alternative logistic providers are available to deliver our products if our third-party logistic providers are not able to make delivery. However, such deliveries may be disrupted or delayed or lead to incurring additional costs to us, which could have an adverse effect on our business, results of operations and financial condition.

25. Our Directors, Key Managerial Personnel and Senior Management hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Our Directors, Key Managerial Personnel and Senior Management are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, other than reimbursement of expenses incurred or normal remuneration or benefits, please see section titled "*Board of Directors and Senior Management Personnel – Interests of our Directors*" on page 179.

26. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.

We intend to utilize the Net Proceeds of the Issue, as set forth in the section titled "*Use of Proceeds*" on page 79. The funding requirements mentioned as a part of the use of proceeds are based on internal management estimates and commercial considerations and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. 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. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. Further, certain information contained in this Placement Document, such as our funding requirements and our intended use of the proceeds of the Issue, in addition to not being appraised by any bank, financial institution or independent agency are based on management estimates and internal management information systems and our business plan. We may also have to revise our funding estimates, future projects and the estimated commencement and completion dates of our projects depending on future contingencies and events, including, among others: changes in laws and regulations; competition; receipt of statutory and regulatory approvals and permits; the ability of third parties to complete their services on schedule and on budget; delays, cost overruns or modifications to our future projects; commencement of new projects and new initiatives; and changes in our business plans due to prevailing economic conditions. Accordingly, the schedule of the implementation of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns.

27. In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding. Further, the deployment of Net Proceeds towards our inorganic growth initiatives may not take place within the period currently intended and may be reduced or extended.

We propose to utilize ₹8,000.00 lakhs of the Net Proceeds towards inorganic growth initiatives, as set forth in the section titled "*Use of Proceeds*" on page 79. We may not derive the anticipated benefits from our strategic investments and acquisitions, and we may not be successful in pursuing future investments and acquisitions. As part of our growth strategy, our Company has in the past and intend to continue to invest in and acquire stake in companies that are complementary to our business and technology offerings. For instance, during the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of electric two-wheeler ("**E2W**"). However, on

November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, we intend to capitalize on our experience in the E2W and as part of business strategy our Company shall untap the potential in electric vehicle ("**EV**") segment through acquisition/investment. Our Company will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on our management's discretion.

The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including utilising our internal accruals and/or seeking debt, including from third party lenders or institutions. Further, as we have not identified any target company and the Net Proceeds are not proposed to be utilized towards implementing any specific acquisition, a schedule of implementation in relation to the Objects has not been provided in this Placement Document. The actual deployment of funds will depend on several factors, including identification of target company, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Further, we cannot assure you that any potential acquisitions will be successful, and any failure could have a material adverse effect on our growth, financial condition and results of operations.

28. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.

Our business requires a significant amount of working capital. As per our settled business terms, we majorly require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our customers. Further, our Company also required to meet the increasing demand and for achieving the same, adequate stocks have to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products. Furthermore, one of the objects of the Issue include funding working capital requirements of our Company, which is based on management estimates and certain assumptions. For further details in relation to such management estimates and assumptions, please see section titled "*Use of Proceeds*" on page 79.

Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults, but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. All of these factors may result, in increase in the number of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

29. Our Company was incorporated in 1988 and we are unable to trace some of our historical corporate records. We cannot assure you that no disputes, regulatory actions or penalties shall arise or be imposed or initiated against our Company in future in relation to the missing corporate records, which may impact our financial condition and reputation.

Our records date back to 1988 when our Company was originally incorporated. We are unable to trace certain old secretarial, RoC form filings and other corporate records in relation to certain allotments of Equity Shares of our Company for March 24, 1990, March 25, 1991, September 20, 1995, June 18, 1997, October 7, 1999 and July 7, 2008. Despite conducting searches of our internal records and the records maintained by the jurisdictional RoC for the aforesaid secretarial and other corporate documents and records, we have not been able to trace the records for the aforementioned period.

We had commissioned a physical and electronic search of the RoC records through a practicing company secretary firm, to retrieve missing documents in relation to, inter alia, issuances of Equity Shares by the Company. Pursuant to the foregoing, the practicing company secretary firm has issued its report dated May 6, 2024 ("**Search Report**"). However, no documents including Forms 2 or Form PAS-3 and others were retrieved during the search and the Search Report mentions the same. Accordingly, we have relied on other documents, including audited financial statements and board resolutions for the periods to which such documents relate, for such matters. For further details, please see section titled "*Capital Structure*" on page 86.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and corporate records and documents as of the date of this Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future or that we will not be subject to penalties imposed by regulatory authorities in this respect.

30. Our operations are subject to various laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.

Our operations are subject to the laws and regulations in India governing employees in such areas as minimum wage act and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, the Factories Act, 1948, the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, the Industrial Employment (Standing Orders) Act, 1946, the Industrial Development and Regulation Act, 1951, the Payment of Wages Act, 1965, the Minimum Wages Act, 1948, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employee's Compensation Act, 1923, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. While there have been no instances where we have failed to comply with regulations that has resulted in a shutdown or other sanctions being imposed on us, we cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

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

31. Being a listed company, we are subject to the provisions of the SEBI Listing Regulations and other guidelines, notifications and regulations issued by the SEBI and the Stock Exchanges, from time to time including the terms of listing agreements entered into by our Company with the Stock Exchanges.

Being a listed company, we are also required to comply with the requirements of the SEBI Listing Regulations and other requirements prescribed by SEBI and the Stock Exchanges from time to time. Compliance with many

of the regulations applicable to our operations involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, compliance with many of the regulations applicable to our operations may involve significant costs and otherwise may impose restrictions on our operations. There can be no assurance that the laws governing our Company and its operations will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance. Due to a failure by us to comply with regulations and guidelines issued by regulatory authorities in India, we may incur increased compliance costs and be subject to penalties, which may divert the attention of our management and waste our corporate resources. Failure to comply with such regulatory requirements may subject us to regulatory actions and may have an adverse effect on our business, results of operations, financial condition and cash flows. For instance, SOP fines has been imposed on our Company by both the Stock Exchanges as per the SOP circular during the period when the Company was in IBC since the Company has obtained the immunity as per the resolution plan for complying with the LODR Regulations, the waiver from the both the Exchanges have been obtained. However, we cannot provide any assurance that in the future our Company will not be subject to penalties imposed by SEBI and/ or the Stock Exchanges and that our Company will be able to obtain waivers, if any.

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

We rely on a combination of trademark, patent, design and copyright law to protect our intellectual property. As on date of this Placement Document, our corporate logo is not registered with the Trademark Registry. Our Company has applied for 15 trademark applications including our corporate logo under class 42. Further, as on the date of this Placement Document, we own 3 patents with respect to our LED products. Our application may in the future be opposed, withdrawn, objected or are otherwise under dispute. If any of our unregistered intellectual property are registered in favour of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of intellectual property by third parties.

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

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

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

Government policy can develop rapidly in the markets we serve, including India. Within the last few years, significant developments have taken place, primarily in the Indian market that we serve with respect to energy policy and related regulations. Environmental protection policies, legislation and regulation greatly influences our customers expenditures on our products. We anticipate that energy policy will continue to be an important regulatory priority globally, as well as on a national, state, and local level. As environmental policy continues to evolve, the existing rules and incentives that impact the energy-related segments of our business, may change. One of the key drivers of domestic demand for LED lighting are a number of government initiatives, such as the Street Lighting National Program ("**SLNP**"), Unnat Jyoti by Affordable LEDs for All ("**UJALA**"), Performance Linked Incentive ("**PLI**") Scheme, Make in India Initiative, National Programme for LED-based Home and Street

Lighting and LED Lighting Programme of Indian Railways. These initiatives aim to increase consumer awareness of the benefits of switching to LED lighting from conventional lighting sources like halogen, CFL, and incandescent bulbs.*(Source: Acuite Report)*

It is difficult, if not impossible, to predict what change in energy policy might occur in the future and the timing of potential changes and their impact on our business, including potential changes that could originate from the GoI and other countries. The elimination or reduction of favourable environmental related policies for our energy-saving products and solutions, or the failure to adopt expected policies that would benefit our business, could negatively impact our business, financial condition and results of operations.

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

Our purchase orders and contracts for our products for liquidated damages for late delivery of our products and/or services. Although, there has been no such instances in the last three Fiscals, but there can be no assurance that our customers in the future will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or we may need to renegotiate some of our customer contracts This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of liquidated damages and renegotiation of terms of purchase orders/ contracts could also have an adverse impact on our financial position and cash flows. In addition, certain of our customer purchase orders/ contracts, enable our customers to set off payments for goods delivered against previous outstanding balances. Any such instances may also impact our cash flows and have an adverse impact on our business operations.

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

We have implemented various information technology ("**IT**") solutions to cover key areas of our operations. We also have various automation systems and software that automate our production. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result from (among other causes) cyber-attacks on or failures of such infrastructure or compromises to its physical security, as well as from damaging weather or other acts of nature. A significant or large-scale malfunction or interruption of one or more of our IT or manufacturing automation systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business cannot be excluded. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable or cause damage to our reputation. Any of these developments, alone or in combination, could have a material adverse effect on our business, results of operations and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/ or manufacturing automation systems may lead to inefficiency or disruption of our operations and thereby adversely affecting our business, results of operations and financial condition.

36. Our business success depends on the strength of our reputation. Any failure to maintain and enhance, or any damage to, our reputation could materially and adversely affect the level of market recognition of, and trust in, our products.

We believe we have a reputation for quality and reliability. If there is any damage to our reputation, the demand for our products may be materially and adversely affected. Many factors that are important in maintaining and enhancing our reputation are not entirely within our control, and such factors may materially and adversely affect our reputation. Furthermore, any negative publicity in relation to our products may damage our reputation.

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

Our operations are subject to various risks inherent to the design, manufacture and installation of our products, as

well as other risks such as theft, robbery, acts of terrorism, fire, cargo and force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations.

Our insurance policies include fire, burglary, vehicle, transit and group accident guard policy. There are many events that could significantly impact on our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, please see section titled "*Our Business*" on page 163.

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

We have entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees. As of March 31, 2024, we had total outstanding borrowings of ₹1,140.35 lakhs comprising of current borrowings of ₹1,124.83 lakhs and Long Term Borrowings of Rs.15.52 lakhs, on a standalone basis The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, consequent change in its capital structure or the shareholding of the Company including the percentage shareholding of the Promoters, change in composition of board of directors, Memorandum and Articles of Association, issue of Equity Shares and change in financial ratios. We have received the necessary consents from our lenders for this Issue.

As on March 31, 2024, our total secured borrowings amounted to ₹1,140.35 lakhs on a standalone basis, comprising of 100.00% of our total indebtedness. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the goods, book debts, receivables (including rent receivables) and other current assets of our Company. As these assets are hypothecated in favor of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose of our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

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

39. We have entered into, and may continue to enter into, related party transactions which may not always enable us to achieve the most favourable terms.

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include payment to key managerial personnel, professional charges and sitting fees. All related party transactions by our Company have been conducted on an arm's length basis after obtaining necessary board and shareholders approvals, however we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such future related party transactions may potentially involve conflicts of interest.

Although all related party transactions that we enter into, are subject to board or Shareholder's approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

40. We engage contract labour for carrying out certain of our operations and we may be responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our cash flows, results of operations and financial condition.

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

41. Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

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

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

We are responsible for establishing and maintaining adequate internal measures commensurate with the size scale and complexity of operations. Our internal audit system monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, we undertake corrective actions in respective areas and strengthen the control. Significant audit observations, if any, and corrective actions thereon are presented to the Audit Committee of the Board periodically.

We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Further, effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

43. Our Company has not declared and paid dividends in the last three Fiscals, Further, our Company may not be able to pay dividends in the future.

Our Company has not declared and paid dividends in the last three Fiscals. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our

operating expenses and, as such, pay dividends to our Company's shareholders in future.

44. Industry information included in this Placement Document has been derived from a third-party industry report, exclusively commissioned and paid for by us. There can be no assurance that such third party statistical, financial, and other industry information is either complete or accurate.

We have used the report titled *"*Industry reports LED Lights, Display, 2W EV, 3W EV*"* dated May 5, 2024, prepared by Acuite Ratings & Research Limited appointed by our Company on October 9, 2023, and exclusively commissioned by our Company for purposes of inclusion of such information in this Placement Document at an agreed fees to be paid by our Company. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although, we believe that the data may be considered to be reliable, as information contained therein has been obtained from sources generally believed to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. Given the scope and extent of the Acuite Report, disclosures are limited to certain excerpts and the Acuite Report has not been reproduced in its entirety in this Placement Document. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLM or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

45. Our Promoters may not be able to operate the Company efficiently and maintain profitability

The current Promoters are not the original promoter of the Company. The Company was referred to the CIRP proceedings in 2018 and the current Promoters acquired control of the Company on August 7, 2019, pursuant to the Resolution Plan. Our Promoters may encounter significant challenges in turning around the business of the Company and maintaining it as profitable. Acquisitions involve a significant number of risks and successful implementation of acquisitions depends on a range of factors, including funding arrangements, cultural compatibility and integration. Potential difficulties that we may encounter as part of an acquisition could include the following:

- our inability to turnaround or grow the business, which may also result in our inability to meet acquisition finance costs;
- underestimated costs associated with the acquisition or over-valuation by us of the Company;
- incurring of debt or loan liabilities in order to finance an acquisition and execution of financing agreements with restrictive covenants in relation to the same;
- our failure to discover issues around an acquired company's intellectual property, customer relationships, accounting practices or regulatory compliances;
- financial liabilities (including payment of arrears in remuneration and other labour welfare benefits);
- potential unknown liabilities, legal contingencies and unforeseen increased expenses or delays associated with the acquisition;
- delays in the integration of strategies, operations and services and increased costs of integration;
- attrition and differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the possibility that the full benefits anticipated to result from the acquisition will not be realized;
- litigation or other claims in connection with acquired companies, including claims from terminated employees, customers, former stockholders or other third parties;
- retaining key executives and other employees; and
- the disruption of, or the reduction in growth in, our ongoing businesses.

If the Promoters are unable to successfully overcome the potential difficulties associated with the integration process the objectives following the acquisition of the Company may not be achieved. Additionally, no assurance can be given that the Company would be maintained as profitable at all times.

46. After the completion of the Issue, our Promoters will continue to hold substantial shareholding in our Company and the interest of the Promoter may conflict with the interest of other shareholders in the Company.

After completion of the Issue, our Promoters will own, approximately 67.50% of our post-Issue paid-up Equity Share capital. Our Promoter will continue to exercise significant control over us, including decisions requiring a majority of the total voting power of our shareholders. The interests of our Promoters may conflict in material aspects with our interests or with the best interests of our other Shareholders and our Promoter may not take decisions in our best interests. Although, the actions taken by our Company will be subject to the approval of our Board or Shareholders, as necessary under the Companies Act and the SEBI Listing Regulations and in compliance with the SEBI Listing Regulations, we cannot assure that our Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

External Risk Factors

Risk Relating to India

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

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

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

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

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in

other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, results of operations and financial condition. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

50. The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

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

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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 products 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, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations cash flow and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. Any change in the policies by the government may impact our business growth due to a potential change in terms of such contracts which may adversely affect out business, financial condition, results of operations and prospects.

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. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent

may be time consuming as well as costly 62 for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

53. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

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

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

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing in or trading in Equity Shares.

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

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

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

56. Our business and activities may be regulated by the Competition Act and proceedings may be enforced against us.

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI 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 Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

57. As a listed company, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations, and we must comply with other SEBI regulations as may be applicable to us. Any non-compliance / delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on the BSE and NSE. We are, therefore, subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, and we must comply with other SEBI regulations as may be applicable to us. While our Company strives to meet all such obligations and reporting requirements, we cannot assure you that there will be no non-compliances in the future, and we cannot assure you that no penalties will be levied against our Company. Non-compliance under the SEBI regulations are usually subject to penalties, warnings, and show-cause notices by SEBI and the Stock Exchanges. Any regulatory action or development that is initiated against us could affect our business reputation, divert management attention and result in a material adverse effect on our business prospects and financial performance, and the trading price of

the Equity Shares.

58. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies including our products, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our business, financial condition and results of operations.

59. Our operations may involve certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the Office of Foreign Assets Control ('**OFAC**') or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, as till date we have not came across any prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. We may enter into transactions with suppliers or logistics providers who may be doing business with countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it is determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

Risk Related to the Issue

60. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

61. The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- actual or anticipated variations in our results of operations, including compared to expectations of securities analysts and investors and those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- announcements about our earnings that are not in line with analyst expectations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management;
- changes in our shareholder base;
- changes in our dividend policy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public's reaction to our press releases, other public announcements, and filings with the regulator;
- adverse media reports about us or our industry;
- changes / volatility in exchange rates;
- changes in the regulatory and legal environment in which we operate;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Any of these factors listed above could result in large and sudden changes in the volume and trading price of the Equity Shares and adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price.

62. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

63. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The securities transaction tax ("**STT**") is levied both at the time of sale and acquisition of equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

64. Any future issuance of Equity Shares or other equity linked instruments by us may dilute your shareholding.

Any future equity issuances by us, including a primary offering of Equity Shares or securities linked to Equity Shares may lead to the dilution of your shareholding in our Company. Any future equity issuances by us or sale of our Equity Shares by the Promoters or any of our other principal shareholders or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to

other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

65. There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.

Information publicly available about Indian public companies, including our Company, may be less than that is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations, cash flow and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain developed countries.

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

Foreign investment in multi brand retailing is also restricted and in future we may face attracting foreign investment in our Company. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. 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. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

67. Differences exist between Ind AS and other accounting principles, such as IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Audited Standalone and Consolidated Financial Statements have been prepared and presented in conformity with Ind AS. Ind AS differs in certain respects from IFRS and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. 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 standards on the financial disclosures presented in this Placement Document should be limited accordingly.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their

existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by 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 the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes 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 the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

69. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment 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 seven days and from 7 to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations, cash flow and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

70. Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares, if any, will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. 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. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

71. Your ability to acquire and sell Equity Shares may be restricted by the distribution and transfer restrictions set forth in the Preliminary Placement Document and this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. In particular, the Equity Shares offered in this Issue have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with Regulation S. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively. Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth in this Placement Document.

72. SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

Our Company is subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historic volatility in the price and trading volume of the Equity Shares. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

73. Investors may have difficulty enforcing foreign judgments against us or our management.

Our Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our assets and the assets of our Directors and executive officers' resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Code of Civil Procedure, 1908 ("**CPC**") provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the CPC by the GoI: United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates.

In order to be enforceable, a judgment obtained from a court in a jurisdiction that is not a reciprocating territory may be enforced in India only by a suit upon the judgment, subject to Section 13 of the CPC, and not by execution proceedings. Section 13 of the CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

- where the judgment has not been pronounced by a court of competent jurisdiction;
- where the judgment has not been given on the merits of the case;
- where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable;
- where the proceedings in which the judgment was obtained are opposed to natural justice;
- where the judgment has been obtained by fraud; and
- where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the CPC may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Under Section 14 of 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; such presumption may be displaced by proving want of jurisdiction. The CPC only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public

policy of India or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain the RBI's approval to repatriate any amount out of India pursuant to such foreign judgment and any such amount may be subject to tax in accordance with applicable laws. In addition, any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of payment.

Further, there may be considerable delays in the disposal of suits by Indian courts.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

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

MARKET PRICE INFORMATION

The Equity Shares have been listed and traded on the BSE and the NSE since May 30, 2007. As at the date of this Placement Document, 22,14,46,343 Equity Shares are issued, subscribed and paid-up.

As of June 25, 2024, the closing price of the Equity Shares on NSE and BSE was ₹71.05 and ₹71.11 per Equity Share, respectively. Since the Equity Shares are actively traded on the NSE and BSE, the market price and other information for each of the NSE and BSE has been given separately.

i. The following tables set forth the reported high, low, average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscal Year 2024, Fiscal Year 2023 and Fiscal Year 2022:

BSE

Fiscal Year	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (in ₹ crore)	Low (₹)	Date of low [1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in crore)	Average price for the year (₹) [2]
2022	37.90	January 11, 2022	111,024	0.42	0.67	April 23, 2021	50,597	0.00	14.35
2023	19.30	April 26, 2022	169,633	0.33	10.98	November 16, 2022	52,716	0.06	13.88
2024	51.46	February 19, 2024	82,169	0.42	12.15	April 20, 2023	6,474	0.01	31.03

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) *Average price for the year represents the average of daily closing prices on each day of each year*.

NSE

Fiscal Year	High (₹)	Date of high[1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (in ₹ crore)	Low (₹)	Date of low [1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (₹ in crore)	Average price for the year (₹) [2]
2022	36.50	January 11, 2022	23,137	0.08	0.65	April 15, 20201	317,473	0.02	14.12
2023	19.30	April 26, 2022	473,014	0.91	11.00	November 4, 2022	119,331	0.13	13.87
2024	51.50	February 19, 2024	935,767	4.81	12.10	April 18, 2023	169,546	0.20	31.01

(Source: www.nseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2) *Average price for the year represents the average of daily closing prices on each day of each year*

ii. The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE

Month ended	High (₹)	Date of high (1)	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (in ₹ crore)	Low (₹)	Date of low(1)	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (in ₹ crore)	Average price for the month (₹)(2)
December 2023	37.08	December 12, 2023	77,722	0.29	33.52	December 28, 2023	33,996	0.11	34.78
January 2024	37.50	January 9, 2024	25,204	0.09	33.72	January 1, 2024	37,075	0.13	35.14
February 2024	51.46	February 19, 2024	82.169	0.42	37.70	February 9, 2024	70,581	0.27	43.56
March 2024	48.78	March 2, 2024	58,227	0.28	38.12	March 14, 2024	73,937	0.28	42.06
April 2024	53.16	April 24, 2024	345,043	1.82	40.77	April 19, 2024	27,787	0.11	45.05
May 2024	57.40	May 23, 2024	1163,909	6.64	46.43	May 9, 2024	57,166	0.27	49.85

(Source: www.bseindia.com)

Notes:

(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(2). Average price for the month represents the average of daily closing prices on each day of each month.

NSE

Month ended	High (₹)	Date of high [1]	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on the date of high (in ₹ crore)	Low (₹)	Date of low[1]	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on the date of low (in ₹ crore)	Average price for the month (₹)[2]
December 2023	36.80	December 12, 2023	487,631	1.82	33.30	December 28, 2023	155,250	0.52	34.77
January 2024	37.80	January 9, 2024	500,719	1.89	33.80	January 1, 2024	142,993	0.49	35.13
February 2024	51.50	February 19, 2024	935,767	4.81	37.95	February 9, 2024	416,709	1.59	43.56
March 2024	48.90	March 2, 2024	240,606	1.17	37.90	March 14, 2024	816,878	3.08	42.02
April 2024	53.05	April 24, 2024	918,773	4.83	40.60	April 15, 2024	398,871	1.61	45.00
May 2024	57.00	May 23, 2024	1,921,364.00	10.92	46.55	May 9, 2024	258,309	1.23	49.74

(Source: www.nseindia.com)

Notes:
(1) High and low prices in the above tables are of the daily closing prices. In case of two days with the same high or low price, the date with the higher volume has been chosen.
(2) Average price for the month represents the average of daily closing prices on each day of each month.

iii. The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 on the Stock Exchanges:

Financial Year Ended	Number of Equity Shares Traded		Turnover (in ₹ crore)	
	BSE	NSE	BSE	NSE
March 31, 2022	15,790,808	24,449,327	35.84	40.12
March 31, 2023	9,578,829	19,380,253	13.67	28.17
March 31, 2024	27,763,426	87,873,446	92.91	314.98

(Source: www.bseindia.com and www.nseindia.com)

iv. The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (in ₹ crore)	
	BSE	NSE	BSE	NSE
December 2023	1,040,405	4,160,702	3.64	14.61

Period	Number of Equity Shares Traded		Turnover (in ₹ crore)	
	BSE	NSE	BSE	NSE
January 2024	915,643	4,802,636	3.26	17.10
February 2024	4,379,167	23,228,392	19.35	103.38
March 2024	1,623,940	8,142,596	7.00	34.76
April 2024	3,006,928	11,350,984	14.50	54.01
May 2024	4,836,027	16,859,473	25.73	87.90

(Source: www.bseindia.com and www.nseindia.com)

v. The following table sets forth the market price on the Stock Exchanges on September 07, 2023, i.e., the first working day following the approval of the Board of Directors for the Issue:

Stock Exchange	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares trade	Turnover (in ₹ crore)
BSE	31.32	31.32	31.20	31.20	190,497	0.60
NSE	31.00	31.00	31.00	31.00	258,040	0.80

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from this Issue shall be approximately ₹9,000 lakhs. Subject to compliance with applicable laws, the net proceeds from this Issue, after deducting fees, commissions and expenses relating to this Issue of approximately ₹ 8,809 lakhs, ("**Net Proceeds**")

Propose of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following objects:

1. Expansion of business through inorganic growth.
2. Funding working capital requirements of our Company.
3. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Requirement of Funds

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

(in ₹ lakhs)

Sr. No.	Particulars	Amount
1.	Expansion of business through inorganic growth	8,000.00
2.	Funding Working capital requirements of our Company	750.00
3.	General corporate purposes	59.00
	Total	**8,809**

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enables us to undertake the objects contemplated by us in this Issue.

Proposed schedule of implementation of Net Proceeds

(in ₹ lakhs)

Sr. No	Particulars	Amount to be funded from the Net Proceeds.	Fiscal 2025
1.	Expansion of business through inorganic growth	8,000.00	8,000.00
2.	Funding Working capital requirements of our Company	750.00	750.00
3.	General corporate purposes	59.00	59.00
	Total	**8,809.00**	**8,809.00**

Our fund requirements and proposed deployment schedule for the Net Proceeds are based on current general economic and market conditions and business needs, and the actual deployment of funds at each stage will depend on a number of factors, including our financial condition, business and strategy or external circumstances such as financial and market conditions, competitive environment, inflation, employment and disposable income levels, demographic trends, technological changes, changing customer preferences, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. The deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. Further also see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.* " and "*Financial Statements*" on page 55.

If the Net Proceeds are not utilised (in full or in part) for the Objects during the periods stated in this section due to factors such as the timing of completion of the Issue, economic and market conditions outside the control of our Company and any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the funding requirement and increasing or decreasing such requirements for a particular purpose from the planned funding requirement as may be determined by our Company, subject to

compliance with applicable laws.

Subject to compliance with applicable laws, in case of any variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes).

Details of the Object

1. Expansion of business through inorganic growth.

We intend to utilise ₹8,000 lakhs from the Net Proceeds towards such potential acquisition. One of our core strategies is to pursue inorganic growth through strategic investment and acquisitions of high margin businesses supplemental to our operations. In line with our past practice, we intend to pursue similar opportunities to undertake acquisitions in the (i) that allow us to enhance our scale and market position; (ii) that allow us to achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits; (iii) that provide us with a platform to extend our reach to new geographic markets within India and overseas markets; (iv) that add new services complementary to our service offerings ; and (v) that allow us to enter strategic businesses.

We believe that we have benefited from the acquisitions undertaken by us in the past. In the Fiscal 2022 our Company under management control of new promoters has acquired 50.99% stake in Bikewo Green Tech Private Limited ("**Bikewo**"), which is in supply and distribution of electric two-wheeler ("**E2W**") and has benefited our Company in expanding its business in the E2W. Though on November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares, our Company intend to leverage its experience in electronic vehicle space and intend to keep pursuing strategic investments and acquisitions in electrical vehicle space also.

Since in the past we have been able to successfully acquire stake in the company, we continue to selectively pursue opportunities for evaluating potential targets for strategic investments, merger, acquisitions and partnerships, that complement and enhance our product and service offerings, strengthen or establish our presence in our targeted markets, or to enter into new businesses verticals or enable us to gain access to technology and customer portfolio of the target entities. The proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

Rationale for acquisition in future

Our Company intends to acquire such companies (i) which can serve to new customers with our existing capabilities; (ii) are in the business of revenue maximisation thesis and whose capabilities can help the Company's revenue maximization objectives; (iii) have a team that has built a complementary technology to the business of the Company but has not been able to scale or develop its business; and (iv) enhance our geographical reach.

As on the date of this Placement Document, our Company has not identified any potential target for investment or acquisition and has not entered into any definitive agreement. The amount of Net Proceeds allocated for inorganic growth is based on our management's current estimates from our discussions and negotiations with potential targets and partners and other relevant considerations. The actual deployment of the funds will depend on several factors, including the timing, nature, size and number of strategic acquisitions undertaken, as well as general factors affecting our results of operation, financial condition and access to capital.

These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this object may not be the total value or cost of any such strategic initiatives but is expected to provide us with sufficient financial leverage to enter into binding agreements. If there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of our internal accruals or debt or any combination thereof.

2. Funding working capital requirements of our Company.

Our business is working capital intensive, and we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from banks by way of working capital facilities. As on March 31, 2024, our Company had a total sanctioned limit of fund based working capital facilities of ₹1,250.00 lakhs and have utilised ₹1,250.00 lakhs. The deployment of net proceeds shall be on a need basis over the course of the Fiscal 2025, in accordance with the working capital requirements of our Company.

Existing Working Capital

Set forth below is the working capital and holding period, on a standalone basis the Audited Financial Statements as on and for the Fiscal 2024 and the Audited Financial Statements as on and for the Fiscal 2023 as certified by the statutory auditors of our Company, M/s. Bhavani & Co., Chartered Accountants, through their certificate dated May 30, 2024:

Particulars	Fiscal 2024 (audited) (in ₹ lakhs)	Holding days	Fiscal 2023 (audited) (in ₹ lakhs)	Holding days
Current Assets				
Inventories	801.05	108	834.49	535
Trade receivables	2,531.93	169	230.80	143
Cash & Cash Equivalents	89.20	7	33.32	21
Bank balances	684.67	47	57.75	36
Loans	173.67	12	661.85	410
Other Current Assets	1,827.36	121	627.52	389
Total Current Assets (A)	**6,107.88**		**2,445.74**	
Current Liabilities				
Trade Payables	336.11	45	31.38	8
Other Financial Liabilities	39.32	3	66.95	41
Other current liabilities	319.85	21	147.34	91
Total Current Liabilities (B)	**695.28**		**245.67**	
Working Capital Gap (A)-(B)	**5,412.60**		**2,200.07**	

Note:

1. *Holding period (in days) is calculated as respective all current asset or current liability divided by revenue from operations multiplied by number of days except for holding days for inventory and trade payables are calculated by dividing raw material consumed as the base.*
2. *The holding period has been computed over 365 days for each Fiscals (wherever applicable)*

Estimated working capital requirements

Particulars	Estimated for Fiscal 2025*(in ₹ lakhs)	Holding days
Current Assets		
Inventories	614.00	47
Trade receivables	1,957.00	86
Cash and cash equivalents	56.00	2
Bank balances	162.00	7
Loans	174.00	8
Other current assets	820.00	36
Total Current Assets (A)	**3,783.00**	
Current liabilities		
Trade payables	207.00	16
Other financial liabilities	68.00	3
Other current liabilities	469.00	21
Total current liabilities (B)	**744.00**	
Total working capital requirements/ Net working capital (A-B)	**3,039.00**	
Funding Pattern		
Short Term borrowings from bank	1,100.00	
Release of Deposits	300.00	
Proceeds from QIP	750.00	
Internal Accruals	889.00	

**As certified by the statutory auditors of our Company, M/s. Bhavani & Co., Chartered Accountants, vide their certificate dated May 30, 2024*

Note:

1. *Holding period (in days) is estimated as respective all current asset or current liability divided by revenue from operations multiplied by number of days except for holding days for inventory and trade payables are estimated by dividing raw material consumed as the base.*
2. *In the year 2018, our Company went under a Corporate Insolvency Resolution Process ("**CIRP**"). Thereafter, Resolution Plan submitted by our current Promoters was approved by Hon'ble NCLT vide its order dated July 31, 2019, subsequently, on August 7, 2019, a new Board was constituted. The current Promoters and management resumed control of operations during the Fiscal 2022 and procured one time order for supplying 5,000 oxygen concentrators to one of the largest crude oil and natural gas company, which was successfully completed by our Company. During the Fiscal 2023, our Company procured the IPIS project and received all the approvals for executing the project. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. The below estimated working capital requirement for Fiscal 2025 is based on the order received from Indian Railway.*

Particulars	Details
Inventories	Inventory days are computed from historic standalone financial statements of our Company (cost of material consumed). For Fiscal 2024, our Company maintained inventory for 108 days. Our Company has assumed inventory holding level of 47 days for Fiscal 2025 (Raw materials taken at 30 days considering the lead time of some of the critical items, consumables 1 day, WIP is taken at 10 days and Finished goods taken at 6 days as the goods to be inspected at railway stores and then billing to be done).
Trade Receivables	Receivable days are computed from historic standalone financial statements of our Company (revenue from operations). For Fiscal 2024, our Company maintained trade receivable for 169 days. Our Company has assumed trade receivable holding level of 86 days for Fiscal 2025 (For PIS railways- assumed for 75 days, for AMCs and job works for 11 days).
Trade payables	Trade payable days are computed from historic standalone financial statements of our Company (cost of material consumed). For Fiscal 2024, our Company has maintained the holding level for trade payable as 45 days. Our Company has assumed trade payable holding level of 16 days for Fiscal 2025 as advance payments to be made for most of the creditors.

The estimated working capital requirements of our Company for Fiscal 2025 has been approved by the Board pursuant to its resolution dated May 30, 2024, as ₹3,039.00 lakhs. Accordingly, we propose to utilize ₹750.00 lakhs of the Net Proceeds in Fiscal 2025 towards the estimated working capital requirements of our Company. The balance portion of working capital requirements of our Company for Fiscal 2025 shall be met through internal accruals and extending existing or additional working capital facilities from various banks, financial institutions and non-banking financial companies (including bill discounting) or equity.

3. General corporate purposes

Our Company intends to deploy ₹59.00 lakhs from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such amount not exceeding 25% of the gross proceeds of the Issue, in compliance with the applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, other capital expenditure requirements including for expansion of product and funding growth opportunities, business development initiatives, part or prepayment/repayment of any borrowing meeting exigencies and expenses incurred by our Company in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act., The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we

are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and the final listing and trading approval are received from the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, it is not required to appoint the monitoring agency as the size of our Issue does not exceeds ₹10,000.00 lakhs. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters nor our Promoter Group, nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

Further, neither our Promoters nor our Promoter Group, nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

Since the Net Proceeds of the Issue are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under the SEBI ICDR Regulations are

not applicable: (i) break-up of cost of the project; (ii) means of financing such project; and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at March 31, 2024, extracted from the Audited Standalone Financial Statements for the Fiscal 2024, on a standalone basis and as adjusted to give effect to the receipt of the proceeds from the Issue. This table should be read in conjunction with the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Selected Financial Information*", "*Risk Factors*" and "*Financial Statements*" beginning on pages 93, 36, 43 and 234, respectively.

(in ₹ lakhs)

Particulars	As at March 31, 2024	Post-Issue as adjusted for the Issue*#^
Current borrowing:		
Secured	1,140.35	1,140.35
Unsecured	25.08	25.08
Non-current borrowing (including current maturities of long-term debt):		
Secured	-	-
Unsecured	-	-
Total borrowing (a)	**1,165.43**	**1,165.43**
Shareholders' funds:		
Share capital	4,428.93	4820.23
Securities premium	21,454.64	30,063.34
Reserves and surplus (excluding securities premium)	(13,687.38)	(13,687.38)
Non-controlling Interest	-	-
Shareholder's funds (excluding borrowings) (b)	**12,196.20**	**21,196.19**
Total capitalization (a + b)	**13,361.63**	**22,361.62**
Current Borrowing / Shareholders Funds	**0.09**	0.06
Total Borrowing / Shareholders Funds	**0.10**	0.06

** Will be finalized upon determination of the Issue Price.*

Note:

(1) As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Adjustments do not include Issue related expenses.

CAPITAL STRUCTURE

The share capital of our Company as on date of this Placement Document is as follows:

(in ₹ lakhs, except share data)

		Aggregate value at face value (except for securities premium account)
1.	**AUTHORIZED SHARE CAPITAL**	
	37,50,00,000 Equity Shares of face value of ₹2 each	7,500.00
2.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	22,14,46,343 Equity Shares of face value of ₹2 each	4,428.92
3.	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**[(1)]	
	Up to 1,95,65,217 Equity Shares of face value of ₹2 each aggregating up to ₹9,000.00 lakhs	391.30
4.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THIS ISSUE**	
	24,10,11,560 Equity Shares of face value of ₹2 each[(2)]	4,820.23
5.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	21,454.64
	After the Issue	30,063.34

[(1)] *The Issue has been approved by the Board of Directors on September 6, 2023, and by shareholders of the Company October 10, 2023.*

Notes to Capital Structure

1. **Share Capital History of our Company**

(a) History of Equity Share Capital of our Company:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
May 17, 1988	20	100.00	100.00	Initial subscription to the MOA	Cash	20	2,000
March 27, 1989	80	100.00	100.00	Preferential Allotment	Cash	100	10,000
March 24, 1990**	600	100.00	100.00	Preferential Allotment	Cash	700	70,000
March 25, 1991**	2,350	100.00	100.00	Preferential Allotment	Cash	3050	305,000
May 04, 1994	6,300	100.00	100.00	Preferential Allotment	Cash	9350	935,000
September 20, 1995**	5,250	100.00	100.00	Preferential Allotment	Cash	14,600	1,460,000
December 10, 1996	98,296	100.00	100.00	Preferential Allotment	Cash	1,12,896	11,289,600
January 20, 1997	7,145	100.00	100.00	Preferential Allotment	Cash	1,20,041	12,004,100
June 18, 1997**	Sub-division of each equity share of face value of ₹100 each into ten equity shares of ₹10 each.						
September 22, 1997	291,210	10.00	10.00	Preferential Allotment	Cash	14,91,620	14,916,200

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
October 07, 1999**	260,350	10.00	10.00	Preferential Allotment	Cash	17,51,970	17,519,700
January 07, 2000	179,730	10.00	10.00	Preferential Allotment	Cash	19,31,700	19,317,000
February 26, 2000	568,300	10.00	10.00	Preferential Allotment	Cash	25,00,000	25,000,000
March 31, 2000	1,900,000	10.00	10.00	Preferential Allotment	Cash	44,00,000	44,000,000
November 11, 2000	600,000	10.00	10.00	Allotment of Equity Shares pursuant to scheme of arrangement between Phoenix Telecommunications Limited and MIC Electronics Limited	Other than cash	50,00,000	50,000,000
July 15, 2002	200,000	10.00	10.00	Preferential Allotment	Cash	52,00,000	52,000,000
August 10, 2002	2,558,570	10.00	10.00	Preferential Allotment	Cash	77,58,570	77,585,700
June 30, 2004	458,500	10.00	10.00	Preferential Allotment	Cash	82,17,070	82,170,700
July 14, 2005	192,000	10.00	100.00	Preferential Allotment	Cash	84,09,070	84,090,700
October 05, 2005	48,000	10.00	100.00	Preferential Allotment	Cash	84,57,070	84,570,700
February 23, 2006	30,000	10.00	215.00	Preferential Allotment	Cash	84,87,070	84,570,700
May 04, 2006	6,38,000	10.00	215.00	Preferential Allotment	Cash	91,25,070	91,250,700
July 18, 2006	23,500	10.00	215.00	Preferential Allotment	Cash	91,48,570	91,485,700
September 28, 2006	4,574,285	10.00	N.A.	Bonus Issue	N.A.	1,37,22,855	1,37,228,550
October 19, 2006	900,000	10.00	10.00	Allotment pursuant to ESOP	Cash	1,46,22,855	1,46,228,550
October 19, 2006	404,800	10.00	Consideration other than cash	InfoSTEP (Share swap for ₹22.00 lakhs)	Other than cash	1,50,27,655	1,50,276,550
May 30, 2007	5,100,000	10.00	150.00	Initial Public Offering	Cash	2,01,27,655	20,12,76,550
July 07, 2008**	Sub-division of each equity share of face value of ₹10 each into five equity shares of ₹2 each.						
April 20, 2010	1,860,000	2.00	44.40	Preferential Allotment	Cash	10,24,98,275	2,04,996,550

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 19, 2015	16,425,000	2.00	3.00	Preferential Allotment	Cash	11,89,23,275	2,37,846,550
July 25, 2015	11,395,000	2.00	3.00	Preferential Allotment	Cash	13,03,18,275	2,60,636,550
September 30, 2015	27,087,070	2.00	3.00	Preferential Allotment	Cash	15,74,05,345	3,14,810,690
November 10, 2015	8,732,778	2.00	3.00	Preferential Allotment	Cash	16,61,38,123	3,32,276,246
May 17, 2016	10,822,222	2.00	3.00	Preferential Allotment	Cash	17,69,60,345	3,53,920,690
March 31, 2017	43,293,974	2.00	20.00	Conversion of secured/unsecured loan/trade credits into equity	Consideration other than cash	22,02,54,319	4,40,508,638
June 30, 2021	(1,65,190,319)	2.00	N.A.	Capital Reduction pursuant to the Resolution Plan approved by the Hon'ble NCLT, Hyderabad vide its Order dated 31st July, 2019 under IBC*	N.A.	5,50,64,000	1,10,128,000
March 25, 2022	1,64,682,343	2.00	3.40	Allotted to Resolution Applicants pursuant to the Resolution Plan approved by the Hon'ble NCLT, Hyderabad vide its Order dated 31st July, 2019 under IBC*	Cash	21,97,46,343	4,39,492,686
March 25, 2022	1,700,000	2.00	20.00	Allotted to Strategic Investors pursuant to the Resolution	Cash	22,14,46,343	4,42,892,686

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for/Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
				Plan approved by the Hon'ble NCLT, Hyderabad vide its Order dated 31st July, 2019 under IBC*			

Note: In the last three financial years there has been no split or consolidation of the Equity Shares of our Company.
Pursuant to the CIRP proceedings, a resolution professional ("RP**") was appointed for transferring the power of the Board to the RP. The Resolution Plan proposed by Cosyn Limited, RRK Enterprise Private Limited and Siva Lakshmanarao Kakarala (**"Resolution Applicants"**) for an infusion of funds and equity into our Company was approved by the NCLT vide its order dated July 31, 2019. Consequently, the issued, subscribed and paid-up Equity Share capital of the Company was reduced and consolidated from ₹44,05,08,638 divided into 22,02,54,319 Equity Shares, to ₹11,01,28,000 divided into 5,50,64,000 Equity Shares cancelling and extinguishing 16,51,90,319 Equity Shares.*
***We have been unable to trace certain form filings and secretarial records (including Form 2, Form 5 and Form 23 in relation to changes in our issued, subscribed and paid-up Equity Share capital for these allotments. Accordingly, disclosures in this Placement Document have been made in reliance of the information available in the minutes of the board, and/or shareholders meeting (as applicable), register of members, annual reports and other corporate records for the respective corporate action and on the certificate issued by RPR & Associates, Practicing Company Secretaries vide its certificate dated May 06, 2024. For further details, please see section titled "Risk Factors - Our Company was incorporated in 1988 and we are unable to trace some of our historical corporate records. We cannot assure you that no disputes, regulatory actions or penalties shall arise or be imposed or initiated against our Company in future in relation to the missing corporate records, which may impact our financial condition and reputation."*

(b) **Preference Share Capital**

As on the date of this Placement Document, there is no preference share capital in the Company.

2. **Shares Issued in one year preceding the date of this Placement Document for consideration other than cash**

The Company has not issued any shares in one year preceding the date of this Placement Document for consideration other than cash.

3. **Equity shares issued pursuant to scheme of arrangement**

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and under section 230 to 232 of the Companies act 2013, except for (a) 6,00,000 Equity Shares to Phoenix Telecommunication Limited which were allotted pursuant to scheme of arrangement between Phoenix Telecommunication Limited and MIC Electronics Limited approved by Hon'ble High Court of Andra Pradesh and (b) as per Approved Resolution plan dated July 31, 2019 and Final order dated July 22, 2021 by the Hon'ble National Company Law Tribunal 16,63,82,343 has been issued to new promoters and non-promoters(Strategic investor)

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Allottees
November 11, 2000	6,00,000	10.00	10.00	Phoenix Telecommunication Limited
March 25, 2022	14,88,29,402	2.00	3.40	RRK Enterprise Private Limited
March 25, 2022	1,58,52,941	2.00	3.40	Siva Lakshmanrao Kakarkala
March 25, 2022	14,10,000	2.00	20.00	Vibhav Engineering Solutions

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Allottees
				Private Limited
March 25, 2022	2,90,000	2.00	20.00	Sharmila Karuturi

4. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company

S. No.	Category	Pre-Issue Equity Share Capital as on June 12, 2024[1]		Post-Issue Equity Share Capital	
		Number of equity shares held	% of share holding	Number of equity shares held	% of share holding
A.	**Promoters/Promoters Group Holding**				
1.	Indian				
	Individuals/Hindu Undivided Family	1,63,46,191	7.38%	1,63,46,191	6.78%
	Bodies Corporate[2]	14,67,56,456	66.27%	14,63,56,456	60.72%
	Sub Total	**16,31,02,647**	**73.92%**	**16,27,02,647**	**67.50%**
2.	Foreign Promoter/Member of Promoter Group	NIL	NIL	NIL	NIL
	Sub Total (A)	**16,31,02,647**	**73.65%**	**16,27,02,647**	**67.50%**
B. Non-Promoter Holding					
1.	Institutional Investor				
	Domestic				
	Mutual Funds	NIL	NIL	NIL	NIL
	Alternative Investment Funds	NIL	NIL	NIL	NIL
	Foreign Portfolio Investors Category I	83,347	0.04%	1,98,57,134	8.24%
	Foreign Portfolio Investors Category II	NIL	NIL	NIL	NIL
2.	Non-Institutional Investor				
	Private Corporate Bodies	10,147,121	4.58%	1,01,35, 118	4.20%
	Directors/relatives	NIL	NIL	NIL	NIL
	Key Managerial Persons	300	0.00%	300	0.00%
	Indian Public				
	Individual share capital up to ₹2 lakhs	37,509,145	16.95%	3,75,06,998	15.57%
	Individual share capital in excess of ₹2 lakhs	9,153,649	4.13%	92,88,281	3.86%
	Non-resident Indian	14,31,121	0.65%	15,02,469	0.62%
	Other (Trusts, clearing members, HUF)	19,013	0.01%	18,613	0.01%
	Sub Total (B)	**58,343,696**	**26.35%**	**7,83,08,913**	**32.50%**
	Grand Total (A+B)	**22,14,46,343**	**100.00%**	**24,10,11,560**	**100.00%**

5. **Employee Stock Option as on date of this Placement Document**

As on the date of this Placement Document, our Company does not have any employee stock option plan.

6. **Proposed Allottees in the Issue**

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them has been included in this Placement Document in the section "*Proposed Allottees in the Issue*" on page 235.

7. **Other Confirmations**

(a) The Promoters, the Directors, members of Promoter's group, Key Managerial Persons and the Senior Management of our Company do not intend to participate in the Issue.

(b) No change in control in our Company will occur consequent to the Issue.

(c) Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of postal ballot notice dated September 6, 2023, to the shareholders for the approval of this Issue.

(d) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue.

(e) Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

(f) At any given time, there shall be only one denomination of the Equity Shares of our Company.

(g) All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Placement Document.

(h) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Placement Document.

DIVIDEND

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. Our Board may also, from time to time, declare interim dividends. Dividend amounts are determined each Fiscal in accordance with our Board's assessment of our Company's financial performance, past dividend trends, liquidity position, capital expenditure requirements, debt obligations, the external market conditions, the future potential of our Company and other factors. The declaration and payment of dividends, if any, by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. For further information, please see section titled "*Description of the Equity Shares*" on page 220.

Our Company has not declared any dividend during Fiscals 2024, 2023 and 2022.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of financial parameters/ internal and external factors, including, but not limited to, distributable surplus available as per applicable law, our Company's liquidity position and future cash flow needs, track record of dividend distributed by our Company, payout ratios of comparable companies, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, stipulations/covenants contained under any loan agreements, prevailing macroeconomic and business conditions and other factors, and subject to the approval of our Shareholders.

The Equity Shares to be offered in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, please see section titled "*Risk Factors – Our Company has not declared and paid dividends in the last three Fiscals, Further, our Company may not be able to pay dividends in the future*." on page 61.

For a summary of certain Indian tax consequences of dividend distributions to the Shareholders, please see section titled "*Taxation*" on page 224.

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

*As on April 01, 2021, our Company had one wholly owned subsidiary, MIC Electronics Inc., USA and the said subsidiary has been wound up and dissolved under the laws of the state of California, USA w.e.f. June 21, 2021. During the financial year 2022, our Company had acquired 50.99% equity stake in Bikewo Green Tech Private Limited ("**Bikewo**") (formerly known as M/s. Right Automobiles Pvt Ltd), which became our Erstwhile subsidiary. Our Company subsequently sold the equity stake in the Bikewo on November 11, 2023. As of March 31, 2024, the Company does not have any subsidiary company In view of above acquisition/divestment/winding up of our subsidiaries, unless the context requires otherwise or indicated otherwise, the financial information in this Placement Documents disclosed from the Audited Consolidated Financial Statements and Audited Standalone Financial Statements*

Further, as on date of this Placement Document the Company has one Wholly Owned Subsidiary, SOA Electronics Trading LLC which has been incorporated under the laws of Dubai, UAE on May 22, 2024. The Wholly Owned Subsidiary has not commenced its business operations as on date of this Placement Document.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless otherwise stated or context require otherwise, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Erstwhile subsidiary, on a consolidated basis. Unless otherwise stated or context require otherwise, references in this section to "Issuer", "our Company", MIC" are to our Company, on a consolidated basis.

The Audited Consolidated Financial Statements as at and for Fiscal 2022 is derived from the comparative financial information presented in the Audited Consolidated Financial Statements as at and for Fiscal 2023. The Audited Standalone Financial Statements as at and for Fiscal 2022 is derived from the comparative financial information presented in the Audited Standalone Financial Statements as at and for Fiscal 2023 and for Fiscal 2023 is derived from the comparative financial information presented in the Audited Standalone Financial Statements as at and for Fiscal 2024.

*Our Audited Consolidated Financial Statements and Audited Standalone Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013 (the "**Act**") (Companies (Indian Accounting standards) Rules, 2015) and other relevant provisions of the Act.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "LED Lights, Display, 2W EV, 3W EV" dated May 5, 2024 (the "**Acuite Report**") prepared and issued by Acuite Ratings & Research Limited, exclusively commissioned and paid for by us in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. For more information, please see section titled "Risk Factors – Industry information included in this Placement Document has been derived from a third-party industry report, exclusively commissioned and paid for by us. There can be no assurance that such third party statistical, financial, and other industry information is either complete or accurate." on page 62.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages on page 16 and on page 43, respectively.

OVERVIEW

Incorporated in 1988, we are an Indian company with design and display capabilities in true colour light emitting diode ("**LED**") video displays, LED passenger information displays and LED lights. LED is a semiconductor device that emits light when an electric current flows through it. LED finds applications in many electronic devices including residential and commercial lighting, television screens, display screens, automotive lights, optical communication, alarm and security systems, remote control operations, robotics etc. LED devices have become popular in these devices due to its durability, low power consumption and fast switching capabilities. *(Source: Acuite Report)*

Our Company recently started developing 42V/3A electric vehicle battery charger for e-cycles and two-wheelers, which play crucial role in ensuring the efficient and convenient charging of the batteries that power EV vehicles.

Our Company is an ISO 9001:2015 certified, with our presence in the domains of LED video, graphics and text displays and LED lighting solutions. Our Company design, develop and manufacture the LED video displays and LED lighting products. Our Company's flagship products are LED video displays (indoor and outdoor).

Our products are categorised as

(i) LED Lightning: Our LED lighting offerings focus on (a) indoor lightning such as area lights, down lights, tube lights; (b) outdoor lighting such streetlights, parking lights, industrial lights etc; (c) solar lighting such as solar streetlights, solar home lights; etc and (d) portable lights.

(**ii) LED Displays:** Our LED Display offerings focus on (a) indoor displays such as indoor video screenings; digital posters; etc; (b) outdoor displays such as ticker displays, digital posters, perimeter displays, digital billboards, outdoor video walls, etc; (c) mobile displays and (d) application specific displays.

Our Company has one manufacturing facility located in Cherlapally, Hyderabad for manufacturing LEDs products. In our manufacturing operations, we aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

In the year 2018, our Company went under a Corporate Insolvency Resolution Process ("**CIRP**") proceeding, and in the year 2019, the Resolution Plan of our current Promoters was accepted and a new Board of Directors was constituted. By virtue of above Resolution Plan, our corporate Promoter, RRK Enterprise Private Limited ("**RRK**") acquired our Company and accordingly, our Company became a subsidiary of RRK with effect from March 25, 2022. For further details, please see section titled "*Organizational Structure*" on page on page 175. The current Promoters and management assumed control of operations during the Fiscal 2022 and procured one time order of oxygen concentrators 5,000 oxygen concentrators from one of the largest crude oil and natural gas company, which was successfully completed by our Company. During Fiscal 2022, we generated ₹2,987.38 lakhs in revenue from sale of oxygen concentrators to one of the which represented 66.46 % and 95.93 % of total revenue from operations, on a consolidated and standalone basis, respectively.

Subsequently, during FY 2023 our Company has procured a project for IPIS and received necessary approvals for executing the project. As on date of this Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. The orders received from Indian Railways also provide us opportunity to generate revenue by providing annual maintenance contract ("**AMC**") services in respect of IPIS supplied to Indian Railways by our Company. Our AMC services are valid for a period of 12 months from the date of issue of letter of acceptance. Our AMCs by Indian Railways are usually renewed on annual basis thereby generating recurring revenue for our Company. We are also trying out job work of PCB uploading for third parties.

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of electric two-wheeler ("**E2W**"). Our Company has also on standalone basis supplies two electrical vehicles to the distributors of the Bikewo under invoicing to Bikewo. On November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, but our Company intend to capitalize on our experience in the E2W and as part of business strategy our Company untap the potential in electric vehicle ("**EV**") segment through acquisition or investment.

Our current Promoters and the senior management team have been implementing changes in our Company including improving sales, starting development of new products with investment into D&D. Our management team has demonstrated the ability to successfully implement changes post the implementation of the Resolution Plan. Our dedicated Design and Development ("**D&D**") team focuses on product designing, tools, electronic circuit designing and prototype designing. As on April 30, 2024, our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, financial condition and results of operations have been, and are expected to be, influenced by numerous factors. A summary of the most important factors that have had, and that we expect will continue to have, a significant impact on our business, results of operations and financial condition follows below:

Our dependency on Indian Railways and any adverse change in policy of the Ministry of Railways, GOI ("MoR")

As on date of this Placement Document, our largest customer in our LED products is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways.

Our Company benefits from the programmes and policies which facilitate and encourage the involvement of the private sector in LED Lighting Programme of Indian Railways. Indian Railways had already achieved its target of 100% LED lighting across its network by March 2018. This has helped the Railways save ₹500 million per annum in electricity bills and reduce carbon dioxide (CO2) emissions by 60,000 tons. Currently, it has initiated a rail station development programme called 'Amrit Bharat Railway Stations'. The entire project covers redevelopment works at 1,309 stations across the country with the first 508 train stations across 27 states and union territories to need an investment of ₹244.7 billion (USD 3 billion). The redevelopment will provide modern passenger amenities along with ensuring better traffic management, intermodal integration and signage particularly for passengers with reduced mobility. Works at the selected stations will include the modernisation of buildings, new platforms and better seating areas along with upgraded waiting rooms. This will continue to drive demand for LED lighting solutions from Indian Railways including those required for signalling systems. (*Source: Acuite Report*) For further details, please see section titled "*Risk Factors - Governmental policies could change or expected changes could fail to materialize, which could adversely affect our business, financial condition and results of operations.*" on page 58.

Our bidding and execution capabilities

Our Company depend on the Indian Railways for a significant portion of contracts in our Order Book which are awarded on a tender basis. As on March 31. 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Our railway related projects are awarded by the Indian Railways through competitive bidding processes and satisfaction of other prescribed pre-qualification criteria such as experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts. For further details, please see section titled, "*Risk Factors - Our Company depends on the Indian Railways for a significant portion of contracts which are awarded on a tender basis. There is no assurance that our bids will be accepted, and future contracts will be awarded to us by Indian Railways. This may result in an adverse effect on our business growth, financial condition and results of operations*." on page 16.

Design & Development capabilities

We believe that innovation and applied engineering continue to be the key determinant for our success. Our D&D team focuses on product designing, die and mould designing, electronic circuit designing and prototype designing. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. In addition, the development and commercialisation of our products are characterised by significant upfront costs, including costs associated with product development activities, obtaining regulatory approvals and certifications and building manufacturing processes. Our D&D team has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. We may encounter unexpected delays in the development of new products and these new products may not perform as we expect. The components and products that we manufacture are subject to technological change. These changes may affect the demand for our products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends. For further details, please see section titled *"Risk Factors - Our Company's LED business is dependent on our design and development ("D&D") activities for our future success. If our Company does not successfully design and develop new products in a timely and cost-effective manner, our business, results of*

operations and financial condition may be adversely affected." on page 17.

Competition and pricing

The LED manufacturing is highly competitive, and manufacturers are often under pressure to reduce prices to remain competitive. This can affect the profitability of the industry and limit investment in research and development. One of the key challenges in the LED display market is the high initial cost of the product, the complexity of manufacturing large-sized displays, and the increasing competition from other display technologies such as OLED and QLED. With the increase in LED display screen suppliers in the market, the competition in product pricing has become intense. This has led to a squeeze in overall profit margins, impacting the growth of such businesses. *(Source: Acuite Report)*

Our business is competitive, and our success is dependent upon our ability to compete against others, including some that have greater resources than we have. Our competitors may devote greater resources to the development, promotion and sale of their products than we do. They may have lower costs and be able to withstand lower prices better in order to gain market share. They may be more diversified than we are and better able to leverage their other businesses, products and services to be able to accept lower returns and gain market share. In addition, our competitors may have greater engineering, technical, manufacturing, research and development, sales, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can. For further details, please see section titled "*Risk Factors - We operate in a competitive environment and may not be able to effectively compete due to various factors not under our control, which could have a material adverse effect on our business, results of operations and financial condition.*" on page 49.

Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials and components for our sale of our LED products, particularly diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium dye cast and extruded aluminium, various metals, electrical and electronic components. Our Company primarily source our key raw materials and components used in the manufacturing process from selected third-party suppliers in India and internationally.

In Fiscals 2024, 2023 and 2022, our cost of materials consumed and our revenue from operations in (%), respectively, on standalone basis are as under:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Cost of materials consumed (*in ₹ lakhs*)	2,716.26	569.43	1,971.45
% of our revenue from operations	49.79%	96.64%,	63.31%

Our Company has not encountered problems with procurement and sourcing of raw materials and components. However, our sourcing team has mitigated these risks by increasing inventory for some of these materials.

We do not have any long-term contracts with our third-party suppliers. Prices are negotiated for each purchase order, and we generally have more than one supplier for each component or raw material. However, we generally negotiate raw materials pricing with many suppliers on a bilateral basis. Any variations in raw materials pricing are generally passed on to the customer. While we endeavour to pass on all raw material price increases to our customers, we may not be able to compensate for or pass on our increased costs to our customers in all cases. If we are not able to compensate for or pass on our increased raw materials costs to our customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows.

While we are not significantly dependent on any single raw material supplier, raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

We face the risk that suppliers may be unable to provide raw materials in the quantities we ordered or at all or that the market price of raw materials may increase without warning. Where certain raw materials may not be available at all or at commercially acceptable prices, we may be unable to manufacture the products in which such raw

materials are components at all until such raw materials become available again. Increases in prices of raw materials, or the unavailability thereof, could have a material adverse effect on our business, financial condition and results of operations. For further details, please see section titled "*Risk Factors - Our Company rely on a number of third-party suppliers for our LED key components, component or raw materials for LED products and stock-in-trade as well as customer support services including product repairs and returns. Any shortfall in the supply of our LED components and raw materials for LED products or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition***.**" on page 47.

Macroeconomic trends and Government Policies that affect demand for LED solutions products

Our growth and results of operations and financial condition are significantly affected by end-customer demand for our products and services, which in turn is linked to macroeconomic factors driving demand for our end-customers' products and services in India. These factors may include levels of per capita disposable income, levels of consumer spending, consumer preferences, business investment, changes in interest rates, fuel and power prices, government policies or taxation, social or civil unrest and political, economic or other developments that affect consumption and business activities in general.

Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer and business confidence and consumption or the performance of our end-customers.

One of the key drivers of domestic demand for LED lighting are a number of government initiatives, such as the Street Lighting National Program ("**SLNP**"), Unnat Jyoti by Affordable LEDs for All ("**UJALA**"), Performance Linked Incentive ("**PLI**") Scheme, Make in India Initiative, National Programme for LED-based Home and Street Lighting and LED Lighting Programme of Indian Railways. These initiatives aim to increase consumer awareness of the benefits of switching to LED lighting from conventional lighting sources like halogen, CFL, and incandescent bulbs. (*Source: Acuite Report*)

OUR SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

(a) **Statement of Compliance**

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) **Use of estimates and judgement**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. Summary of Signification Accounting Policies

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii. Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii. Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv. **Financial instruments**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: nonderivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a. Non-derivative financial assets
   Financial assets at amortized cost
   A financial asset shall be measured at amortized cost if both of the following conditions are met:

   - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
   - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks.

b. Non-derivative financial liabilities
   Financial liabilities at amortized cost
   Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v. Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi. **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii. **Inventory**

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	:	Weighted average cost
Stores and spares	:	Weighted average cost
Work in process and finished goods	:	Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii. **Impairment**

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss. An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ix. Employee benefits

a) Gratuity & Provident Fund:

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x. **Provisions**

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi. Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii. **Revenue recognition**:

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8):
1. Review of accounting policies
a. Revenue recognition:

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :
   a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

   b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any

lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lesses.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto ₹.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii. **Finance income and expense**

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv. Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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.

b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv. **Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi. Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii. Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii. Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix. **Recent accounting pronouncements**

Ministry of Corporate Affairs ("**MCA**") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16-Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Total Income

Our total income comprises of (a) revenue from operations; and (b) other income.

(a) ***Revenue from operations***: Our revenue from operation comprises of income from (i) sale of products; (ii) AMC & services charges; and (iii) jobworks.

(b) ***Other Income****:* Our other income comprises of interest received from others, credit balances written back, rents received, profit on sale of vehicle, foreign exchange rate difference, bad debts recovered and other non-operating income and sale commission.

Total Expenses

Total Expenses consist of (a) cost of material consumed (b) purchase stock in trade (c) changes in Inventories of finished goods, work-in-progress and stock-in-trade (d) employee benefits expense (e) finance costs (f) depreciation and amortization expense (g) other expenses and (h) tax expense.

(a) ***Cost of material consumed:*** Cost of material consumed include value of inventory of raw material at the beginning of the period along with value purchased during the period less value at the end of period. The cost of raw martial consumed is pertaining to our Company only on standalone basis as there is no such expenses in respect in case of our Erstwhile subsidiaries.

(b) ***Purchase of stock-in-trade:*** The purchase cost of E-Vehicles by our Erstwhile subsidiary Bikewo Green Tech Private Limited.

(c) ***Changes in Inventories of finished goods, work-in-progress and stock-in-trade****:* Changes in inventories of finished goods and work-in-progress and stock-in-trade comprises of expenses attributable to an increase or decrease in inventory levels during the relevant financial year/period in finished goods and work in progress.

(d) ***Employee benefits expense:*** Employee benefits expense comprise salaries, wages, allowances, other benefits, director's remuneration, contribution to provident and ESI and staff welfare expenses.

(e) ***Finance costs***: Financial cost comprises bank charges and interest expense on short term borrowings and others.

(f) ***Depreciation and amortization expense***: Depreciation and amortization expense relate to depreciation of property, plant and equipment, depreciation on right-of-use assets and amortization of intangible assets.

(g) ***Other expenses***: Other expenses primarily comprise expenses relating to rent, licenses, fees, rates & taxes, professional charges, foreign exchange rate difference, security expenses, printing & stationery, power and fuel, repairs & maintenance, travelling & conveyance, postage, telephone and internet, insurance, vehicle maintenance, fabrication & repair charges of vehicles, selling & distribution expenses and general expenses.

Tax Expenses

Our tax expense comprises of current tax, tax of earlier years written back and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability is recognized based on the difference between taxable profit and book profit due to the effect of timing differences.

RESULTS OF OPERATIONS BASED ON STANDALONE FINANCIAL STATEMENTS

The following table sets forth select financial information from our Company's for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, the components of which are also expressed as a percentage of total income for such periods:

(in ₹ lakhs, except percentages)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Income						
Revenue from operations	5,457.48	96.48	589.22	75.55	3,114.10	96.31
Other income	199.13	3.52	190.53	24.45	119.47	3.69
Total income	**5,656.61**	**100.00**	**779.95**	**100.00**	**3,233.57**	**100.00**
Expenses						
a. Cost of raw materials consumed	2,717.26	48.04	569.43	73.01	1,971.45	60.97
b. Changes in inventories of finished goods, work-in-progress and stock-in-trade	208.74	3.69	(529.85)	(67.93)	(12.73)	(0.39)
c. Employee benefits expense	546.03	9.66	221.88	28.45	203.30	6.29
e. Finance costs	164.11	2.90	50.27	6.45	113.88	3.52
f. Depreciation and amortisation expenses	154.08	2.72	204.42	26.21	260.58	8.06
Other expenses	755.01	13.35	249.04	31.93	416.01	12.86
Total expenses	**4,545.24**	**80.36**	**765.19**	**98.12**	**2,952.48**	**91.31**
Profit/ (Loss) from ordinary activities before exceptional items	1,111.38	19.64	14.56	1.88	281.09	8.69
Exceptional items	661.96	11.70	-	-	-	
Profit/(Loss) before tax	**1,773.34**	**31.34**	**14.56**	**1.88**	**281.09**	**8.69**
Tax expense						
Current tax	-	-	-	-	-	-
Deferred tax	4,410.54	77.97	-	-	-	-
Deferred tax expense for earlier years			-	-	-	-
Net profit/ (loss) for the period	**6,183.88**	**109.31**	**14.56**	**1.88**	**281.09**	**8.69**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income for Fiscal 2024 was ₹5,656.61 lakhs as compared to ₹779.75 lakhs during for Fiscal 2023 representing an increase of 625.44%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations for Fiscal 2024 was ₹5,457.48 lakhs compared to ₹589.22 lakhs for Fiscal 2023, representing an increase of 826.22%. The increase was attributable to commencement of sale of Passenger Information System (PIS) displays in Fiscal 2024 and also income from job works.

Other income

Our other income for Fiscal 2024 was ₹199.13 lakhs compared to ₹190.53 lakhs for Fiscal 2023, representing a increase of 4.51%. The increase was primarily due to impact of profit on sale of Subsidiary Bikewo Green Tech investment.

Expenses

The total expenses incurred by our Company for Fiscal 2024 was ₹4,545.24 lakhs compared to ₹765.19 lakhs during for Fiscal 2023, representing an increase of 494.00%. Our total expenses comprise of the following:

Cost of raw materials consumed

Our cost of raw materials consumed for Fiscal 2024 was ₹2,717.26 lakhs compared to ₹569.43 lakhs for Fiscal 2023, representing an increase of 377.19%. The increase was primarily due to increase in consumption of material for production of PIS displays for Indian railways.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress for Fiscal 2024 was ₹208.74 lakhs compared to ₹(529.85) lakhs for Fiscal 2023, representing a decrease of 139.40%. The decrease was primarily due to decrease in work in progress and finished goods upon production and dispatches of finished goods of PIS Displays in Fiscal 2024.

Employee benefit expense

Our employee benefit expense for Fiscal 2024 was ₹546.03 lakhs compared to ₹221.88 lakhs for Fiscal 2023, representing an increase of 146.09%. The increase was primarily on account of recruitment of more work force for production of PIS displays.

Finance costs

Our finance cost for Fiscal 2024 was ₹164.11 lakhs compared to ₹50.27 lakhs for Fiscal 2023, representing an increase of 226.46%. In Fiscal 2023, our Company has availed working capital facilities of cash credit of ₹700 lakhs and working capital demand loan of ₹600 lakhs in June, 2022, the limits were utilized to minimal extent in period ended December 31, 2022 resulting in less finance costs. The limit utilization of the aforementioned facilities were maximum during the last quarter of Fiscal 2023. Further, there was repayment of WCDL loan of ₹600 lakhs and availment of new WCDL of Rs.550 lakhs in Fiscal 2024.

Dep*reciation and amortisation expenses*

Our depreciation and amortisation expenses for Fiscal 2024 was ₹154.08 lakhs compared to ₹204.42 lakhs for Fiscal 2023, representing a decrease of 224.27%. The decrease was primarily due to sale of the properties of land & building located at Roorkhee and Kushaiguda.

Other expenses

Our other expenses for Fiscal 2024 was ₹755.01 lakhs compared to ₹249.04 lakhs for Fiscal 2023, representing a increase of 203.17%. The increase was primarily due to increase in installation expenses relating to PIS displays under job works, increase in production activity in execution of PIS projects resulting in increase in power & fuel, maintenance works carried on SMT machine, increase in travel & conveyance expenses and other operating expenses due to PIS displays.

Profit/(Loss) before Tax

For the reasons discussed above and due to exceptional income of ₹ 661.96 lakhs due to gain on sale of kushiguda land and building, our profit before tax for Fiscal 2024 was ₹1,773.34 lakhs as compared to profit of ₹14.56 lakhs during Fiscal 2023, representing an increase of 12,079.53%.

Tax expense

There was deferred tax income of ₹ 4,410.54 lakhs during Fiscal 2024.

Profit/ (Loss) for the year

Profit for the period for Fiscal 2024 was ₹ 6,183.88 lakhs as compared to a profit of ₹ 14.56 lakhs during Fiscal 2023. Our profit margin substantially increased to 109.31 % in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income during the Fiscal 2023 was ₹779.75 lakhs as compared to ₹3,233.57 lakhs during the Fiscal 2022, representing a decrease of 75.89%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2023 was ₹589.22 lakhs compared to ₹3,114.10 lakhs during the Fiscal 2022, representing a decrease of 81.08%. The revenue of operation consists of (i) sale of products of ₹501.21 lakhs; (ii) AMC charges of ₹61.08 lakhs and (iii) Job work of ₹21.93 lakhs. The decrease was primarily due to one-time order of ₹3,300.00 lakhs executed for supply of oxygen concentrators in Fiscal 2022.

Other income

Our other income during the Fiscal 2023 was ₹190.53 lakhs compared to ₹119.47 lakhs during the Fiscal 2022, representing an increase of 59.48%. The increase was primarily due to increase in interest income earned on ICD extended and interest income on income tax refunds of earlier years.

Expenses

The total expenses incurred by our Company during the Fiscal 2023 were ₹765.19 lakhs compared to ₹2,952.48 lakhs during the Fiscal 2022, representing a decrease of 74.08%. Our total expenses comprise of the following:

Cost of materials consumed

Our cost of materials consumed during the Fiscal 2023 was ₹569.43 lakhs compared to ₹1,971.45 lakhs during the Fiscal 2022, representing a decrease of 71.11%. The decrease was primarily due to material consumption for production of one-time order of supply of oxygen concentrators in Fiscal 2022.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade during the Fiscal 2023 was ₹(529.85) lakhs compared to ₹(12.73) lakhs during the Fiscal 2022, representing an increase of 406.22%. The increase was primarily due to increase of stock of work in progress and finished goods relating to production of PIS displays of Indian railways.

Employee benefit expense

Our employee benefit expense during the Fiscal 2023 was ₹221.88 lakhs compared to ₹203.30 lakhs during the Fiscal 2022, representing an increase of 9.14%. The increase was primarily due to recruitment of more work force in Fiscal 2023.

Finance costs

Our finance cost during the Fiscal 2023 was ₹50.27 lakhs compared to ₹113.88 lakhs during Fiscal 2022, representing a decrease of 55.85%. In the Fiscal 2022, Working Capital Demand Loan of ₹1,000.00 lakhs and short-term loan of ₹300.00 lakhs were availed for execution of oxygen concentrators orders and the entire loans were repaid in Fiscal 2022 itself. The sanctioned borrowings were utilized at a lesser pace during Fiscal 2023 resulting in less interest costs.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2023 was ₹204.42 lakhs compared to ₹260.58 lakhs during the Fiscal 2022, representing a decrease of 21.55%. The decrease was primarily due to sale of land situation at Roorkhee in Fiscal 2023.

Other expenses

Our other expenses during the Fiscal 2023 were ₹249.04 lakhs compared to ₹416.01 lakhs during the Fiscal 2022, representing a decrease of 40.14%. During Fiscal 2022, for execution of oxygen concentrators order, professionals were hired on temporary basis. In addition, bad debts/debit balances written off in Fiscal 2022 and no R&D expenses in Fiscal 2023 contributed to the reduction in other expenses.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2023 was ₹14.56 lakhs as compared to ₹281.09 lakhs during the Fiscal 2022, representing a decrease of 94.82%.

Tax expense

There was no tax expense during the Fiscal 2023 as well as the Fiscal 2022.

Profit for the period/ year

Profit for the period during the Fiscal 2023 was ₹14.96 lakhs as compared to ₹281.09 lakhs during the Fiscal 2022. Our profit margin decreased from 8.69% during the Fiscal 2022 to 1.87% during the Fiscal 2023.

RESULTS OF OPERATIONS BASED ON CONSOLIDATED FINANCIAL STATEMENTS

Principles of Consolidation

The consolidated financial statements have been prepared on the following basis :

i. The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

ii. The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 - "Consolidated Financial Statements".

iii. The difference between the cost of investment in the subsidiaries, the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

iv. Non-controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.

v. Non-controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the Company's shareholders.

vi. The financial statements of Bikewo Green Tech Private Limited have been prepared on accrual basis and according to the historical cost basis assuming the Company is a going concern.

The following table sets forth select financial information from our Company's audited consolidated financial results for the financial year ended March 31, 2023 and March 31, 2022, the components of which are also expressed as a percentage of total income for such periods:

(in ₹ lakhs, except percentages)

Particulars	**Fiscal 2023**		**Fiscal 2022***	
	Amount	**% of Total Income**	**Amount**	**% of Total Income**
Income				
Revenue from operations	2,290.81	92.18	4,494.70	97.18
Other income	194.34	7.82	130.58	2.82
Total income	**2,485.15**	**100.00**	**4,625.28**	**100.00**
Expenses				
a. Cost of raw materials consumed	569.43	22.91	1,971.45	42.62
b. Purchase of stock-in-trade	1,693.16	68.13	1,224.18	26.47
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(759.04)	(30.54	(192.92)	(4.17)
d. Employee benefits expense	344.61	13.87	314.82	6.81
e. Finance costs	79.04	3.18	173.42	3.75
f. Depreciation and amortisation expenses	237.39	9.55	291.21	6.30
Other expenses	294.32	11.84	539.89	11.67
Total expenses	**2,458.91**	**98.94**	**4,322.06**	93.44
Profit/ (Loss) from ordinary activities before exceptional items	26.24	1.06	303.23	6.56
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	**26.24**	**1.06**	**303.23**	**6.56**
Tax expense				
Current tax	-		4.39	0.09
Deferred tax	0.92	0.04	-	
Deferred tax expense for earlier years	(0.96)	(0.04)	(2.56)	(0.06)
Total Tax Expense	1.88	**0.08**	(6.95)	(0.15)
Net profit/ (loss) for the period	**24.36**	**0.98**	**296.28**	**6.41**

During the Fiscal 2022, our Company had acquired 50.99% equity stake in Bikewo Green Tech Private Limited ("Bikewo**") which became our subsidiary in Fiscal 2022. Further, our Board vide its resolution dated November 11, 2023, has disinvested its entire stake in its Erstwhile subsidiary i.e., Bikewo Green Tech Private Limited. Pursuant to the divestment, as of March 31, 2024, Bikewo is not a subsidiary of our Company, Hence, the financial statements have been prepared on standalone basis.*

Fiscal 2023 compared to Fiscal 2022

Income

Our total income during the Fiscal 2023 was ₹2,485.15 lakhs as compared to ₹4,625.28 lakhs during the Fiscal 2022, representing a decrease of 46.27%. Our total income comprises of the following:

Revenue from operations

Our revenue from operations during the Fiscal 2023 was ₹2,290.81 lakhs compared to ₹4,494.70 lakhs during the Fiscal 2022, representing a decrease of 49.03%. During the Fiscal 2023, our revenue from operation consists of (i) sale of products (domestic) of ₹145.95 lakhs (ii) trading sales of ₹1,987.22 lakhs (ii) AMC & service charges of ₹130.71 lakhs and (iv) job works for others of ₹26.93 lakhs. The decrease was primarily due to decrease in revenue from sale of products in the domestic market, since the total revenue from operations in Fiscal 2022, included revenue generated from one time order of sale of oxygen Concentrators amounting to ₹2,987.38 lakhs. Further, during Fiscal 2023, SMT machine which is used for populating components on PCB circuit boards in automatic process was brought into use by undertaking major maintenance works.

Other income

Our other income during the Fiscal 2023 was ₹194.34 lakhs compared to ₹130.58 lakhs during the Fiscal 2022, representing an increase of 48.83%. The increase was primarily due to increase in interest earned on ICD extended amounting to ₹85.98, interest on income tax refund written off in earlier years amounting to ₹15.36 lakhs and income tax refund written of earlier years amounting to ₹24.47 lakhs.

Expenses

The total expenses incurred by our Company during the Fiscal 2023 was ₹2,458.91 lakhs compared to ₹4,322.06 lakhs during the Fiscal 2022, representing a decrease of 43.11%. Our total expenses comprise of the following:

Cost of materials consumed

Our cost of materials consumed during the Fiscal 2023 was ₹569.43 lakhs compared to ₹1,971.45 lakhs during the Fiscal 2022, representing a decrease of 71.12%. The decrease was attributable to the decrease in consumption of raw materials used to manufacture of 5,000 numbers of oxygen concentrators one time order received as compared to Fiscal 2022.

Purchase of stock-in-trade

Our purchase of stock-in-trade during the Fiscal 2023 was ₹1,693.16 lakhs compared to ₹1,224.18 lakhs during the Fiscal 2022, representing an increase of 38.31%. The increase was primarily due increase in quantity of sale of E-Vehicles by our Erstwhile subsidiary, Bikewo Green Tech Private Limited and the purchase cost for E-Vehicles.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade during the Fiscal 2023 was ₹(759.04) lakhs compared to ₹(192.92) lakhs during the Fiscal 2022, representing an increase of 293.45%. The increase is partially contributed by increase in trade sales of E-vehicles and work in progress and finished goods relating to manufacture of passenger information system ("**PIS**") displays of Indian Railways. The sale of E-vehicles contributed 30.19% in Fiscal 2023 as against 81.00% in Fiscal 2022 and sale of PIS contributed 69.81% in Fiscal 2023 as against Nil in Fiscal 2022.

Employee benefit expense

Our employee benefit expense during the Fiscal 2023 was ₹344.61 lakhs compared to ₹314.82 lakhs during the Fiscal 2022, representing an increase of 9.46%. The increase was primarily due to recruitment of more work force during the last quarter of fiscal 2023 for manufacture of PIS displays.

Finance costs

Our finance cost during the Fiscal 2023 was ₹79.04 lakhs compared to ₹173.42 lakhs during Fiscal 2022,

representing a decrease of 54.42%. The decrease was primarily attributable repayment of loan by the Company. In Fiscal 2022, Company has availed working capital demand loan ("**WCDL**") of ₹1,000.00 lakhs and short-term loan ("**STL**") of ₹300.00 lakhs for execution of one-time oxygen concentrators order for one of the largest oil and natural gas company. WCDL and STL availed were repaid in Fiscal 2022 itself and the interest represents relating to such loans. In Fiscal 2023, Bank of Maharashtra sanctioned loan of ₹1,300.00 lakhs in June 2022 as working capital facilities. However, the actual utilization commenced from October 2022 resulting in decrease in the interest cost.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses during the Fiscal 2023 were ₹237.39 lakhs compared to ₹291.21 lakhs during the Fiscal 2022, representing a decrease of 18.48%. The decrease was attributable to sale of land, building and machineries situated at Roorkhee plant in Fiscal 2023 contributing reduction of ₹100.69 lakhs on depreciation and disposal of vehicles.

Other expenses

Our other expense during the Fiscal 2023 was ₹294.32 lakhs compared to ₹539.89 lakhs during the Fiscal 2022, representing a decrease of 45.49%. The decrease was mainly attributable to the decrease in professional charges (consultants and professionals were engaged for production of oxygen concentrator in Fiscal 2022), reduction in bad debts/advances written off, licence, fees rates & taxes and reduction in R&D expenses.

Profit before Tax

For the reasons discussed above our profit before tax for the Fiscal 2023 was ₹26.24 lakhs as compared to ₹303.23 lakhs during the Fiscal 2022, representing a decrease of 91.35%.

Tax expense

Total tax expense during the Fiscal 2023 was ₹1.88 lakhs as compared to ₹(6.95) lakhs during the Fiscal 2022. The increase in tax expense was primarily attributable to tax expense by Erstwhile subsidiary.

Profit for the period/ year

Profit for the period during the Fiscal 2023 was ₹24.36 lakhs as compared to ₹296.28 lakhs during the Fiscal 2022. Our profit margin decreased from 6.41% during the Fiscal 2022 to 0.85% during the Fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and borrowings under term loan and working capital facilities from banks and financial institutions. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions. To the extent we do not generate sufficient cash flow from operating activities, we may rely on debt financing/equity financing activities, subject to market conditions.

CASH FLOWS

Standalone Cash Flow

The following table summarizes our standalone cash flow for the Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from Operating Activities	(974.19)	(646.86)	(5,835.73)
Net cash flow from/ (used in) Investing Activities	1,552.77	(313.18)	(39.65)
Net cash flow from/ (used in) Financing Activities	(522.69)	981.04	5,877.35
Net increase in cash and cash equivalent	55.89	21.01	1.96

Cash flow from Operating Activities

Fiscal 2024

Net cash flow used in operating activities for Fiscal 2024 was ₹ 974.19 mainly on account of Deferred tax amount of ₹ 4,410.54. Our profit before tax was ₹ 2,173.54 lakhs mainly on account profit of ₹ 1,773.54 lakhs, accumulated depreciation of ₹ 154.08 lakhs, financial charges of ₹ 164.11 lakhs and interest and other income of ₹ 81.66 lakhs. This was further adjusted with working capital changes comprising of decrease in investments of ₹ 332.90 lakhs, decrease in inventories of ₹ 33.44 lakhs, increase in receivables of ₹ 2,301.03 lakhs, decrease in loans of ₹ 488.18 lakhs, increase in other financial assets of ₹ 768.43 lakhs, decrease in other non-current assets of ₹ 20.44 lakhs, increase in other current assets of ₹ 1, 206.16 lakhs, increase in trade payables of ₹ 304.73 lakhs, increase in provisions of ₹ 7.04 lakhs, decrease in other financial liabilities of ₹ 27.63 lakhs, increase in other current liabilities of ₹ 173.91 lakhs and deferred tax of ₹.4410.54 lakhs. As a result, cash used in operations for Fiscal 2024 was ₹ 7,394.15 lakhs before adjusting for financial charges of ₹.164.11 lakhs and deferred tax amount of ₹.4,410.54 lakhs.

Fiscal 2023

Net cash flow used in operating activities for Fiscal 2023, was ₹646.86 lakhs. Though our profit before income tax was ₹14.96 lakhs, we had operating profit before working capital changes of ₹371.97 lakhs, primarily due to primarily due to adjustment for depreciation and amortisation expenses of ₹204.42 lakhs, financial charges of ₹79.04 lakhs and interest received/other income of ₹102.32 lakhs. This was further adjusted for working capital changes, which primarily consisted increase in trade receivables of ₹101.55 lakhs, increase in inventories of ₹559.83 lakhs, decrease in loans of ₹138.15 lakhs, increase in other financial assets of ₹131.86 lakhs, increase in other non-current assets of ₹4.23 lakhs, increase in other current assets of ₹324.08 lakhs, decrease in trade payables of ₹10.95 lakhs, increase in provisions of ₹9.09 lakhs, increase in other financial liabilities of ₹25.08 lakhs, decrease in other current liabilities of ₹7.97 lakhs. As a result, cash used in operations for the Fiscal 2023 was ₹968.55 lakhs before adjusting for financial charges of ₹50.27 lakhs.

Fiscal 2022

Net cash flow used operating activities for Fiscal 2022, was ₹5,835.73 lakhs. Though our profit before income tax was ₹281.29 lakhs, we had operating profit before working capital changes of ₹688.18 lakhs, primarily due to adjustments for depreciation and amortization expenses of ₹260.58 lakhs, financial charges of ₹113.88 lakhs, and interest received /other income of ₹32.64 lakhs. This was further adjusted for working capital changes, which primarily consisted of increase in investments of ₹332.90 lakhs decrease in trade receivables of ₹266.82 lakhs, increase in inventories of ₹85.64 lakhs, increase in loans of ₹800.00 lakhs, decrease in other financial assets of ₹194.48 lakhs, increase in other non-current assets of ₹1.64 lakhs, increase in other current assets of ₹168.87 lakhs, decrease in trade payables of ₹21.18 lakhs, increase in provisions of ₹6.66 lakhs, decrease in borrowings of ₹2,608.16 lakhs, decrease in other financial liabilities of ₹2,799.18 lakhs and decrease in other current liabilities of ₹60.43 lakhs. As a result, cash used in operations for the Fiscal 2022 was ₹6,410.04 lakhs before adjusting for financial charges of ₹113.88 lakhs.

Cash flow from / (used in) Investing Activities

Fiscal 2024

Net cash inflow in investing activities was ₹ 1,552.77 lakhs primarily on account of inflow of disposal of kushaiguda properties of ₹.1,366.26 lakhs, decrease in capital work in progress of ₹.2.49 lakhs, decrease in intangible assets under development of ₹.265.67 lakhs and adjustment of interest and other income of ₹.81.66 lakhs.

Fiscal 2023

Net cash flow used in investing activities was ₹313.87 lakhs primarily on account of expenditure on acquisition of tangible and intangible assets (net of sale proceeds) of ₹66.90 lakhs, increase of capital work-in-progress of ₹2.49 lakhs, increase in Intangible assets under development of ₹275.27 lakhs and adjustment of interest received/other income of ₹102.32 lakhs.

Fiscal 2022

Net cash flow used in investing activities was ₹(39.65) lakhs primarily on account of expenditure on acquisition of tangible and intangible assets (net of sale proceeds) of ₹(7.01) lakhs and adjustment of interest received/other income of ₹(32.64) lakhs.

Cash flow from/ (used in) Financing Activities

Fiscal 2024

Net cash used in financing activities was ₹.522.69 lakhs primarily representing amount paid for Deposits towards BGs amounting to ₹.626.92 lakhs.

Fiscal 2023

Net cash from financing activities was ₹981.04 lakhs primarily due to proceeds from borrowings of ₹956.02 lakhs, and deposits paid towards letter of credits ("**LCs**") & bank guarantees ("**BGs**") of ₹25.02 lakhs.

Fiscal 2022

Net cash from financing activities was ₹5,877.35 lakhs primarily due to proceeds from borrowings of ₹(70.12) lakhs, deposits paid towards LCs & BGs of ₹8.27 lakhs, increase in capital reserve of ₹3,303.81 lakhs, increase in share capital of ₹23.84 lakhs and increase in share premium of ₹2,611.55 lakhs.

Consolidated Cash Flows

The following table summarizes our consolidated cash flow for the Fiscal 2023 and 2022 :

(in ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022
Net cash flow from Operating Activities	(461.20)	(5,757.89)
Net cash flow from/ (used in) Investing Activities	(496.83)	(860.71)
Net cash flow from/ (used in) Financing Activities	980.84	6,622.54
Net increase / (decrease) in cash and cash equivalent	22.81	3.94

Cash flow from Operating Activities

Fiscal 2023

Net cash flow used in operating activities for Fiscal 2023, was ₹461.20 lakhs. Though our profit before income tax was ₹24.76 lakhs, we had operating profit before working capital changes of ₹443.50 lakhs, primarily due to adjustment for depreciation and amortization expenses of ₹237.39 lakhs, adjustment of financial charges of 79.04 lakhs and interest received/other income of ₹102.32 lakhs. This was further adjusted for working capital changes, which primarily consisted increase in trade receivables of ₹147.07 lakhs, increase in inventories of ₹789.02 lakhs, decrease in loans of ₹139.72 lakhs, increase in other financial assets of ₹131.86 lakhs, increase in other non-current assets of ₹4.23 lakhs, increase in other current assets of ₹145.12 lakhs, increase in trade payables of ₹7.30 lakhs, increase in provisions of ₹0.09 lakhs, decrease in borrowings of ₹54.53 lakhs, decrease in other financial liabilities of ₹3.37 lakhs, increase in other current liabilities of ₹309.72 lakhs and increase in deferred tax asset of ₹0.96 lakhs. As a result, cash from operations for the Fiscal 2023 was ₹(808.41) lakhs before adjusting for financial charges of ₹79.04 lakhs and direct taxes paid of ₹17.25 lakhs.

Fiscal 2022

Net cash flow used in operating activities for Fiscal 2022, was ₹5,757.89 lakhs. Though our profit before income tax was ₹296.28 lakhs, we had operating profit before working capital changes of ₹69.57 lakhs, primarily due to adjustments for depreciation and amortization expenses of ₹291.21 lakhs, financial charges of ₹173.42 lakhs, decrease on account of cessation of MIC Electronics Inc., USA of ₹723.98 lakhs and Interest received /Other Income of ₹32.64 lakhs. This was further adjusted for working capital changes, which primarily consisted of decrease in investments of ₹752.15 lakhs, decrease in trade receivables of ₹261.58 lakhs, increase in inventories of ₹597.83 lakhs, increase in loans of ₹844.67lakhs, decrease in other financial assets of ₹194.48 lakhs, increase in other non-current assets of ₹4.04 lakhs, increase in other current assets of ₹241.43 lakhs, decrease in trade

payables of ₹108.54 lakhs, increase in provisions of ₹6.66 lakhs, decrease in borrowings of ₹2,373.15 lakhs, decrease in other financial liabilities of ₹2,726.09 lakhs and increase in other current liabilities of ₹7.13 lakhs. As a result, cash used in operations for the Fiscal 2022 was ₹5,673.76 lakhs before adjusting for financial charges of ₹173.42 lakhs and direct taxes paid of ₹19.71 lakhs.

Cash flow (used in) Investing Activities

Fiscal 2023

Net cash used investing activities was ₹496.83 lakhs primarily on account of expenditure on acquisition of tangible and intangible assets (net of sale proceeds) of ₹(127.73) lakhs, increase of capital work-in-progress of ₹246.98 lakhs, Intangible assets under development of ₹275.27 lakhs and adjustment of interest received/other income of ₹102.32 lakhs.

Fiscal 2022

Net cash used investing activities was ₹860.71 lakhs primarily on account of expenditure on acquisition of tangible and intangible assets (net of sale proceeds) of ₹(365.67) lakhs, increase of capital work-in-progress of ₹462.39 lakhs, and adjustment of interest received/other income of ₹32.64 lakhs.

Cash flow from financing activities

Fiscal 2023

Net cash from financing activities was ₹980.84 lakhs primarily due to increase in proceeds from borrowings of ₹955.81 lakhs, and deposits paid towards letter of credits ("**LCs**") & bank guarantees ("**BGs**") of ₹25.02 lakhs.

Fiscal 2022

Net cash from financing activities was ₹6,622.54 lakhs primarily due to increase of proceeds from borrowings of ₹309.82 lakhs, deposits paid towards LCs & BGs of ₹8.27 lakhs, increase in capital reserve of ₹3,303.81 lakhs, non-controlling interest of ₹23.84 lakhs, increase in other equity of ₹100.00 lakhs, increase in share capital of ₹77.15 lakhs and increase in share premium of ₹2,799.65 lakhs.

FINANCIAL INDEBTEDNESS

Our total borrowings as on March 31, 2024, March 31, 2023 and March 31, 2022, was ₹ 1,165.43 lakhs, ₹1,056.02 lakhs, and ₹100.00 lakhs, respectively, on a standalone basis. Our net debt to equity ratio was 0.10 to 1.00 as of March 31, 2024. Our total borrowings as on March 31, 2023 and March 31, 2022, was ₹1,616.24 lakhs and ₹714.96 lakhs, respectively, on a consolidated basis.
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INTEREST COVERAGE RATIO

The interest coverage ratio* for March 31, 2024, March 31, 2023 and March 31, 2022, was 12.74 times, 5.36 times and 5.76 times, respectively, on a standalone basis. The interest coverage ratio* for the March 31, 2023 and March 31, 2022 was 4.32 times and 4.39 times respectively, on a consolidated basis.

**Interest Coverage Ratio = Earnings before Interest and Taxes divided by interest paid.*

CONTINGENT LIABILITIES

Contingent liabilities and claims against us, to the extent not provided for, as at March 31, 2024 are described below:

Particulars	**As at March 31, 2024 (on a standalone basis) (in ₹ lakhs)**
Corporate Guarantee given to SBI on account of Bikewo Greentech Pvt Ltd	483.00
Total contingent liabilities	**483.00**

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, Energy Efficiency Services Limited etc.

Pursuant to the order of NCLT dated 31.07.2019 approving the resolution plan, necessary write-off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2024, the same has been reflected at Note No.2.07 of audited financial statements as on March 31, 2024. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write-off of trade receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments on a consolidated and standalone basis.

(in ₹ lakhs)

	Year ended March 31, 2024	**Year ended March 31, 2023**
	On demand	**On demand**
Borrowings	1160.24	1056.02
Trade payables	336.11	31.38
Other financial liabilities	39.32	66.95
Total	1535.67	1154.35

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Currency Risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies is minimal and hence no sensitivity analysis is presented.

RELATED PARTY TRANSACTIONS

For further details, please see sections titled "*Financial Statements*" and "*Related Party Transactions*" on pages 234 and 42.

TOTAL TURNOVER OF EACH MAJOR INDUSTRY SEGMENT IN WHICH OUR COMPANY OPERATED

For the Fiscal 2022, 2023 and 2024, we operated in three reportable segments (i) LED based products, (ii) medical appliances (oxygen concentrators) and (iii) automobiles. For further details, please see section titled "*Financial Statements*" on page 234.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our Company's accounting policies during the last three financial years.

SUPPLIERS OR CUSTOMER CONCENTRATION

As on date of this Placement Document, our largest customer in our LED products is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as described in the section titled, "*Our Business*" on page 163, there are no new products or business segments in which we operate.

SIGNIFICANT ECONOMIC CHANGES

Other than as described above under the heading titled "– *Significant Factors Affecting our Financial Condition and Results of Operations*" on page 95 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 Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this Placement Document, there are no known factors that might affect the future relationship between costs and revenues.

SUMMARY OF RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OR EMPHASIS OF MATTER IN THE AUDITORS' REPORT IN THE LAST FIVE FISCALS IMMEDIATELY PRECEDING THE YEAR OF FILING THIS PLACEMENT DOCUMENT.

Except as stated below our auditor have not made any reservations or qualifications or adverse remarks or emphasis of matter in their reports in the last five Fiscals immediately preceding the year of filing this Placement Document:

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
March 31, 2024	Nil	NA	NA
March 31, 2023	Nil	NA	NA
March 31, 2022	Nil	NA	NA
March 31, 2021	Nil	NA	NA
March 31, 2020	Note 2.40 to the Consolidated financial statements, in respect of preparation of financial statements of the group on going concern basis. During the year the group has incurred a Net Loss of ₹ 23.95 crores resulting into accumulated losses of ₹ 171.94 crores and erosion of its Net worth as at 31st March 2020. The Company has obligations towards fund based borrowings aggregating to ₹ 170.00 crores. The resolution plan approved by Committee of Creditors (CoC) was submitted to Hon'ble NCLT, Hyderabad Bench. Honourable NCLT, Hyderabad bench has passed an order dated 31st July 2019 approving the Resolution Plan submitted by the resolution applicant. However, the resolution applicants are still in the process of making the payments as per resolution plan. As the total payments are yet to be made, we are unable to obtain audit evidence in relation to going concern as these matters are uncertain at this time.	NA	The management is of the opinion that the resolution amounts as per the approved Resolution Plan have already been paid for Operational Creditors, Employees and workers, CIRP costs,etc. Also, for Secured and Unsecured Financial Creditors more than 41 % of dues have already been paid. The management is confident that the balance amounts as per the Resolution Plan will be paid in due course and hence the financial statements have been prepared as going concern basis.
	Note 2.41 to the Consolidated financial	NA	Once the entire amounts as per

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
	statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to ₹ 25.54 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables, trade payables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable/payable.		Resolution Plan are paid, the management will assess the recoverability with respect to trade receivables, security deposits, loans and advances and other financial assets and make provisions, if any, required in the Books of Accounts.
	Note 2.42 to the Consolidated financial statements, according to the information and explanation given to us, since the company is under CIRP, due to shortage of resources and lock down of the company due to COVID-19, The Company has neither counted the physical inventories nor stated the inventories at the lower of cost and net realizable value as on 31st March 2020 which constitute departure from the accounting standards prescribed under section 133 of the Companies Act, 2013. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at March 31, 2020 which are stated in the balance sheet at Rs 49.53 crores.	NA	Since, the company is under CIRP, due to the shortage of resources and lock down due to Covid 19, physical verification of inventories and its valuation could not be done as on 31st March 2020 aggregating to ₹ 49.53 crores. However, once the Resolution amounts are paid in full, the management will assess the net realizable value by way of valuation of inventories and any material changes will be given effect in the books of accounts.
	Note 2.43 to the Consolidated financial statements, according to the information and explanation given to us, since the company is under CIRP, due to shortage of resources and lock down of the	NA	Physical verification of fixed assets aggregating to ₹ 76.44 crores (WDV as on 31 March 2020) has not been carried out by the management due to the ongoing CIRP, Covid 19 lock down and

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
	company due to COVID-19, the management has not done physical verification of fixed assets. Pending such physical verification, we are unable to comment on the reasonableness of the physical verification programme and discrepancies that may arise on such physical verification of fixed assets as well as requirement of any provision for impairment of fixed assets. We were unable to satisfy ourselves by alternative means concerning the fixed assets held at March 31, 2020 which are stated in the balance sheet at Rs 76.44 crores.		the constraint of resources. However, once the Resolution amounts are paid in full, the management will assess the effect of the impairment of fixed assets by way of valuation and the impairment, if any, will be given effect in the books of accounts.
	The Company has received communication from State Bank of India to conduct a forensic audit and appointed an audit firm to conduct the forensic audit and as on the date of the report, the forensic audit is completed. However, no report has been provided for verification. So the company is of the view, there will not be any significant impact that requires any adjustment that may arise to the amounts and disclosures in the financial statements.	NA	The Forensic audit Report has not been provided to the Company. However, the Management is of the view that there will not be any significant impact that requires any adjustments that may arise to the amounts and disclosures in the financial statements.
March 31, 2019	Note 2.42 to the statement, in respect of preparation of financial statements of the Company on going concern basis. During the year the Company has incurred a Net Loss of ₹ 27.48 crores resulting into accumulated losses of ₹ 155.46 crores and erosion of its Net worth as at 31st March 2019. The Company has obligations towards fund based borrowings aggregating to ₹ 182.14 crores. Even	NA	The management is of the opinion that the resolution and revival of the Company is possible in foreseeable future and accordingly, in view of the ongoing CIRP process and hence results have been prepared on the basis that the company is a going concern.

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
	though the resolution plan submitted for the company is approved by Committee of Creditors, the matter is still pending before Honorable NCLT, Hyderabad bench. The ultimate outcome of these matters at present is uncertain. We are unable to obtain audit evidence in relation to going concern.		
	Note 2.43 to the statement in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to ₹ 34.59 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables, trade payables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable/payable	NA	The management of the Company is confident of recovery of the aforesaid dues. Confirmation of balances could not be obtained as at 31st March 2019 for various trade receivables, trade payables though the management has requested for confirmation of balances. The management has already made provision for doubtful receivables / advances and believes that no material adjustments would be required in books of accounts upon receipt of these confirmations.
	Note 2.44 the Company has neither counted the physical inventories nor stated the inventories at the lower of cost and net realizable value as on 31st March 2019 which constitute departure from the accounting standards prescribed under section 133 of the Companies Act, 2013. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at March 31, 2019 which are stated in the balance sheet at Rs 49.88 crores.	NA	Since, the Company is under CIRP, due to the shortage of resources, physical verification of inventories and its valuation could not be done as on 31st March 2019 aggregating to ₹ 49.88 crores. However, as part of CIRP, physical verification of inventories and its valuation has been done during the financial year 2017-18 by external valuers and no material movements to the inventories have taken place during the financial year 2018-19 due to lower level of operations of the Company. Hence, the Company is of the opinion

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
			that there will be no material changes to the valuation of inventories as on 31st March 2019.
	Note 2.45 According to the information and explanation given to us, the Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years. However, the management is still in the process of reconciliation of quantities as per verification reports with the fixed assets records. Pending such reconciliation and physical verification, we are unable to comment on the reasonableness of the physical verification programme and discrepancies that may arise on such reconciliation and physical verification of fixed assets as well as requirement of any provision for impairment of fixed assets. We were unable to satisfy ourselves by alternative means concerning the fixed assets held at March 31, 2019 which are stated in the balance sheet at ₹ 83.96 crores.	NA	Physical verification of fixed assets aggregating to ₹ 83.96 crores (WDV as on 31 March 2019) has been carried out by the management. However due to the ongoing CIRP and the constraint of resources, the Company is still in the process of reconciliation of properties as per verification reports with fixed assets records.
	The Company has received communication from State Bank of India to conduct a forensic audit and appointed an audit firm to conduct the forensic audit and as on the date of the report, the forensic audit is still under progress. The Company is of the view that material adjustments or disclosures, if any arising out of the forensic audit would be considered after conclusion of the forensic audit and the Management has	NA	The Forensic Audit is in progress and upon conclusions, any material adjustments or disclosures will be considered.

Fiscal ended	Reservation/ qualifications/ adverse remarks/ Disclaimer of opinion	Impact on the financial statements and financial position of the Company	Corrective steps taken and/ or proposed to be taken by the Company*
	not estimated the impact of any adjustment that may arise to the amounts and disclosures in the financial statements.		

Fiscal ended	Details of matter of emphasis
March 31, 2021 (standalone)	Note 2.25 to the standalone financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the company and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the company should make these adjustments by crediting the balancing figure of ₹ 138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the company credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.
	Note 2.42 to the standalone financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to ₹ 7.43 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.
	We draw attention to Note No.2.44 as regards to the management evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.
	Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, In respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.
March 31, 2021 (consolidated)	Note 2.26 to the consolidated financial statements in connection with write off of assets/expenses/write back off liability/provision has been carried out in the books of accounts of the group and the balancing figure has been adjusted in the capital reserve as per the NCLT order dated 31st July 2019 approving the resolution plan. In this regard, we are of the opinion that the group should make these adjustments by crediting the balancing figure of ₹ 138.53 crores to the profit and loss account in conformity with the Indian Accounting Standards. Had the group credited this amount to the profit and loss account the profit would have been increased by the said amount and capital reserve would have been decreased by the said amount.
	Note 2.40 to the consolidated financial statements in connection with trade receivables, security deposits, loans and advances, other financial and current assets aggregating to ₹ 15.63 crores. There is existence of material uncertainties over the realisability of these amounts due to various factors such as disputes, age of these assets etc. There is also non-availability of confirmation of various trade receivables etc. In absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

Fiscal ended	Details of matter of emphasis
	We draw attention to Note No.2.42 as regards to the management evaluation of COVID-19 impact on the future performance of the group. Our opinion is not modified in respect of this matter.
	Section 203 of the Companies Act, read with rule 8A of the companies (Appointment and remuneration of Managerial Personnel) Amendment rules, 2014, In respect of appointment of CFO, as per the said provisions the Board should fill the vacancy of CFO within 6 months from the date of such vacancy. However, in the present case such six months have already been elapsed from the date of such vacancy.
	We did not audit the financial statements of the subsidiary company M/s. MIC Electronics Inc. as at 31st March 2021. These financial statements have not been audited by any other auditor but prepared and furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub section 3 of section 143 of the act.

SIGNIFICANT DEVELOPMENT AFTER MARCH 31, 2024

Except as disclosed below, there have been no circumstance has arisen after March 31, 2024, the date of the last Financial Statements, which materially and adversely affects, or is 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.

On May 22, 2024, our Company has one Wholly Owned Subsidiary, SOA Electronics Trading LLC which has been incorporated under the laws of Dubai, UAE. The Wholly Owned Subsidiary has not commenced its business operations as on date of this Placement Document.

INDUSTRY OVERVIEW

Global growth dynamics and outlook

The global economy is in a state of flux, with weak growth prospects, rising inflation, and heightened uncertainty due to geo-political risks. The global economic outlook continues to be impacted by a combination of factors, including the legacy effects of the devastating Covid pandemic, the long-term effects of the conflict in Ukraine and more recently in Gaza, the worsening effects of climate change, as well as the volatility in the global markets. High inflation in both advanced and developing countries has led to one of the sharpest interest rate hikes in decades, tightening financial conditions and exacerbating debt vulnerability.

Notwithstanding such intense global headwinds, the global economy has been more resilient than the expectation of economists. In its latest World Economic Outlook published in April 2024, the International Monetary Fund (IMF) has retained its global growth forecast for 2024 at 3.2%, the same level as in 2023. Further, IMF has projected the same growth of 3.2% for 2025. The growth dynamics between advanced economies and developing economies, however, is set to change. IMF expects a slight acceleration for advanced economies where growth is expected to rise from 1.6 % in 2023 to 1.7%/1.8% in 2024/2025 that will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025. Over the past half year, economic growth estimates have been revised upwards for most regions, except for the Middle East and parts of Africa.

It is worthwhile to highlight that even the advanced economies have demonstrated a streak of resilience which was not anticipated earlier. The Euro Area continues to report positive growth prints of 0.5% and 0.1% in the previous two quarters despite the severe headwinds and anticipation of a recession. On the other hand, the US economy has expanded at an annualized 5.2% in the third quarter of the current calendar as against 2.6% in the second quarter.

GDP Growth: Key Nations

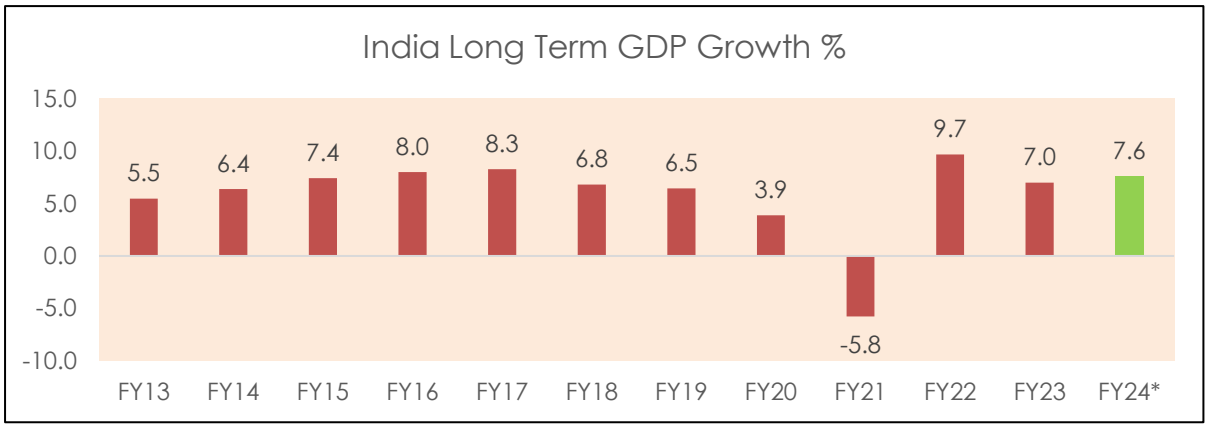
GDP growth (%YoY)						
Economies	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
US	3.7	1.8	1.9	0.9	1.8	2.6
Eurozone	5.5	4.4	2.5	1.8	1.1	0.5
Japan	0.6	1.5	1.6	0.4	2.0	1.6
UK	10.6	3.8	2.0	0.6	0.2	0.4
Canada	3.2	4.7	3.8	2.1	2.1	1.1
China	4.8	0.4	3.9	2.9	4.5	6.3
Korea	3.1	3.0	3.1	1.3	0.9	0.9
Brazil	2.4	3.7	3.6	1.9	4.0	3.4
Mexico	1.9	2.2	4.4	3.6	3.7	3.7
Indonesia	5.0	5.5	5.7	5.0	5.1	5.2

Overview of the Indian economy

The Indian economy has witnessed a significant recovery after a devastating impact of the Covid pandemic which was largely in FY21 and partly in FY22.

Currently, India is the fifth largest economy in the world in terms of nominal GDP which stood at USD 3.4 tn in FY23 and is estimated to grow to USD 3.7 tn in FY24. IMF projects that India will be the third largest economy by 2027 by exceeding the size of that of Germany and Japan by reaching the landmark GDP of USD 5.0 tn.

India – Growth Trajectory



The Indian economy has surprised on the upside in FY24. NSO and RBI estimates the real GDP growth to settle higher at around 7.6% in FY24 as against 7.0% in FY23. Industrial and particularly core sector growth in the previous fiscal was higher than expected due to the increased public investments in infrastructure.

While we expect the GDP growth to moderate from the currently high levels, India will remain one of the fastest growing economies in the world with an average GDP growth of 6.5% over the next five years led by a step up in economic reforms and private sector capital investments, strong momentum in public infrastructure projects as well as steady consumption demand.

LED Lighting Segment

By definition, a light emitting diode (LED) is a semiconductor device that emits light when an electric current flows through it. LED finds applications in many electronic devices including residential and commercial lighting, television screens, display screens, automotive lights, optical communication, alarm and security systems, remote control operations, robotics etc. LED devices have become popular in these devices due to its durability, low power consumption and fast switching capabilities.

Overview of the Electronics Manufacturing Services (EMS) Industry

- **Global Scenario**

The global electronics manufacturing services (EMS) market essentially manufactures electronic products, predominantly assembling components on printed circuit boards (PCBs) and modules for major electronic brands. Today, brands are seeing more value from EMS companies, leading to involvement beyond just manufacturing to include product design and development, testing, and aftersales services.

The EMS market was established in the 1970's to execute manufacturing designs from government, defence, and research institutions. Subsequently, the EMS market expanded to support the demand that exceeded the manufacturing capacity of the electronic brands. By the mid-1990s, the advantages of the EMS concept became extremely evident and major brands started outsourcing PCB assembly on a large scale. By the end of the 1990s and early 2000s, several brands having their own manufacturing facilities sold their assembly plants to the EMS players.

The global EMS market had been estimated at USD 920 billion in CY 2022 and is expected to grow at a CAGR of 5% to reach USD 1.1 billion in CY 2026. The global EMS market witnessed a period of steady growth till CY 2018, riding on the wave of increased outsourcing activities from OEMs and increasing electronics content. However, there was a slowdown in CY2019 and CY 2020 primarily due to the Covid pandemic and the supply chain disruptions. Subsequently, however the industry has seen a significant pick up on account of (i) demand for medical equipment (ii) the work-from-home economy, which created higher demand for smartphones, tablets, and laptops, and (iii) the push for climate change.

- **Indian Scenario**

The total electronics market (which includes domestic electronics production and imports of electronic finished goods) in India is valued at Rs 9.9 trillion (USD 124 billion) in FY22 and is expected to grow at a CAGR of 16% in rupee terms to reach Rs 21.1 trillion (USD 239 billion) in FY27. Domestic production comprised around 70% of the total Indian electronics market in FY22 and is expected to grow at a higher rate owing to various government

initiatives to boost domestic electronics manufacturing industry. Further, the global landscape of electronic design and manufacturing is evolving and revised cost structures have led to higher MNC investments in India. India is being positioned as a favourable location for high-quality design work as well as a cost-competitive alternative. Further, increasing penetration of digital devices in semi-urban and rural markets, lifestyle changes among millennials and a rapid adoption of smart devices are some of the key drivers that are driving domestic demand for electronic products.

Overview of the Indian LED Lighting Industry

The Indian lighting market had been dominated by incandescent bulbs, halogens and CFL lights for a long period. LED lights were first launched in the Indian market in 1993. Initially, the price differential with the traditional lighting products was higher but over the last decade, the declining LED prices along with its perceived benefits have steadily led to higher penetration of LED lights.

Given the energy saving potential of LED lights, the government and its enterprises have played an important role to enhance the usage of these lights. Further, the government has also taken policy initiatives to indigenize the production of these lights and reduce the costs of such production. While there had been some supply chain disruptions during the Covid pandemic and also thereafter due to the Russia Ukraine war, the supply landscape has improved in the current year. LED lights are also more amenable to innovative designs. As affordability and aspirations of consumers increased, the demand for high end home and decorative lighting market has also witnessed a steady rise.

Evolution of LED segment

LEDs have been initially deployed in lighting applications. Globally, there has been a gradual replacement of incandescent lights with LED lights on account of superior attributes of the latter that includes energy efficiency and better quality of the light produced in terms of CRI (Colour Rendering Index) and CCT (Correlated Colour Temperature).

The first commercial LED bulbs were released in 1968, and since then, they have evolved steadily. Because these lights use the most energy-efficient photoluminescent transition possible, only 5% of the total energy they use is wasted as heat, leaving the remaining 95% of the energy to be turned into light. These lights produce heat, which is absorbed by a heat sink to keep the bulbs cool and conserve electricity. If they are used for three hours a day on average, they can last up to 50,000 hours, or ten years. These lights can function at extremely low temperatures and are not susceptible to abrupt temperature changes.

Major factors behind increased use of LED lights

Conserving Energy

One of the biggest long-term advantages of LED lights and displays are their high energy efficiency. LED technology is an environmentally friendly option because it consumes a significantly less energy than conventional lighting and display technologies.

Improved Reliability and Durability

LED displays are designed to withstand a wide range of environmental factors, such as changes in humidity, temperature, and even physical impacts. Because of their durability, LED displays are a reliable investment for both home and commercial appliances, ensuring that they will function well over time.

Longer Life Expectancy

LED lights often have tens of thousands of hours of life left in them. Because of this durability, customers can take advantage of dependable performance for longer periods of time. With a significant reduction in the need for frequent replacements, there is a gradual increase in the sustainability and economic viability of the solution by using fewer resources and producing less technological waste.

Environmentally Conducive

Toxic chemicals are absent from LED lights. Most standard fluorescent light bulbs are made of several environmentally hazardous substances like mercury. LED lights can help cut the carbon footprint by up to 33% and are completely recyclable. They also do not contain any toxic materials. One LED light bulb can save the materials and manufacturing required to produce twenty-five incandescent light bulbs due to its extended operational lifetime which has enabled us to take a significant step toward a more environmentally friendly future.

No UV Radiation

LED lighting emits almost no UV light and extraordinarily little infrared light. Because LED lighting emits extraordinarily little heat, it is therefore ideal not only for products and materials that are heat-sensitive but also for lighting UV-sensitive materials or objects in places like art galleries, museums, and archaeological sites.

High Design Flexibility

LEDs can be combined in any shape to produce highly efficient illumination. Individual LEDs can be dimmed, resulting in a dynamic control of light, colour, and distribution. Well-designed LED illumination systems can achieve fantastic lighting effects, not only for the eye, but also for the mood and the mind.

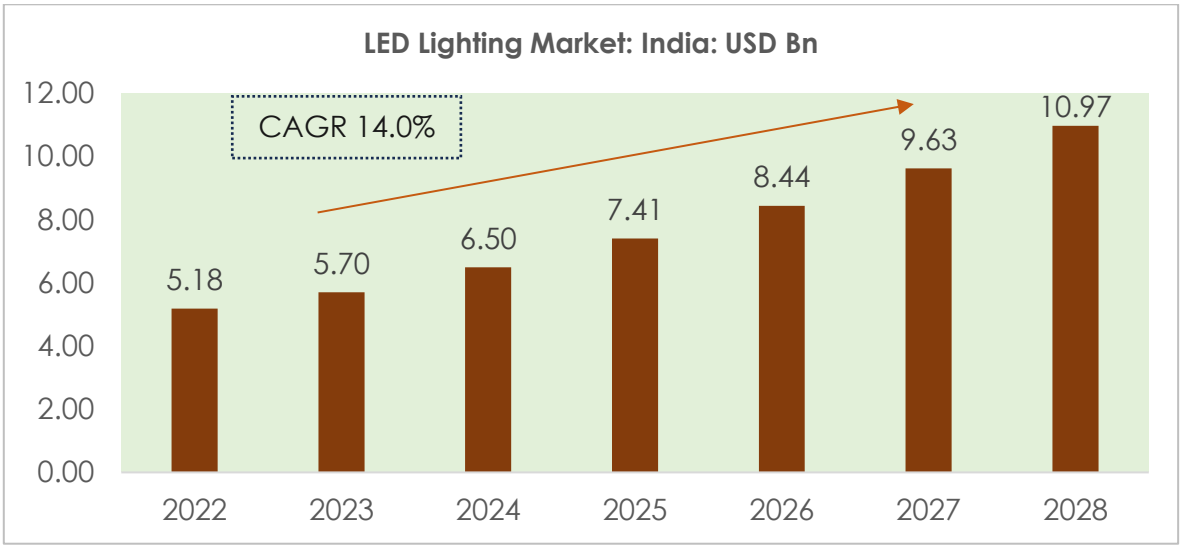
Low Power Needs

For LED lighting, a low-voltage power supply is adequate. By connecting to an external solar energy source, this facilitates the use of LED lighting outdoors and is a major benefit for lighting requirement in remote or rural areas.

Estimated size of LED lighting market

The Indian LED lighting market size is estimated to be over US$ 5.0 Billion in 2023. Acuité Research expects the market to remain robust over the next five years and grow at a CAGR of 14.0% to reach US$ 11.0 Billion by 2028.

Chart 6: LED Lighting Market – India



*Source – Acuité Research

Growth in the Indian LED lighting industry

The market is expected to expand significantly during the forecast period due to the continuing replacement of incandescent lights with LED and a steadily increasing number of lighting applications both for indoors and outdoors where LED lights can get deployed.

Compared to incandescent bulbs, LED lights last 25 times longer and use 75% less energy. Therefore, it has been beneficial to replace outdated lighting systems with LED lighting. There is also a growing demand for new outdoor LED lighting installations.

Furthermore, government initiatives and policies for LED adoption has driven market growth. In India, the penetration of LEDs for outdoor applications has been steadily rising. For example, by 2024, one of the PSUs, Energy Efficiency Services Limited (EESL), plans to install 1.6 Cr smart LED streetlights across the country. The government has been implementing two different programmes - Unnat Jyoti by Affordable LEDs for All (UJALA) and LED Street Lighting National Programme (SLNP) through EESL.

It is projected that continuing investments in urban infrastructure and development will increase demand for LED lighting and fuel market expansion. One of the key initiatives in urban infrastructure segment has been the Smart City Mission (SCM). This programme was initiated in 2015 and envisaged to either build or convert existing 100 cities with the best in class communication and digital infrastructure. The total cost of these SCM projects has

been estimated at Rs 1.8 tn out of which less than a half is being funded by the government and the balance is being mobilized from internal or external sources. As par the data released by the Ministry of Housing and Urban Affairs, the government has released Rs 734.5 bn till July 2023 for SCM projects. A part of these projects' outlay is expected to be deployed in indoor and outdoor lighting applications.

India's highway and roadway infrastructure has also been adopting LED lights. Higher outlay towards road projects and road maintenance will also continue to boost the demand for LED lighting. Furthermore, municipal corporations across the country have been increasing their budget for not only street lighting but also for lighting (flood lights) required in various sports facilities.

Usually, in industrial settings with high, difficult-to-reach ceilings and large spaces where lighting is difficult and ineffective, conventional high-intensity discharge (HID) and fluorescent lighting systems may be more effective. However, HID systems are incompatible with modern sensors and wireless controls; as a result, energy consumption tends to be higher. Currently, there is a noticeable demand in India for LED lighting solutions with advanced technology that use daylight harvesting to reduce energy consumption or that turn lights on and off at pre-designated times in pre-designated zones. Lot of managers of industrial facilities have started to use customized LED lighting solutions to boost efficiency and improve performance across their facilities.

Major Indian sports stadiums have taken up projects to upgrade their lighting infrastructure with LED fixtures; currently they are mostly based on metal halide lamps. New sports infrastructure – both indoor and outdoor facilities coming up across the country will also require substantial investments in lighting systems.

As the urban consumer market continues to show high growth in India, investments in commercial infrastructure – shopping malls and large showrooms have risen steadily. Retail outlets require attractive and bright lighting systems to attract the attention of the consumers and trigger the purchase intent. Relevant and attractive Illumination is essential to enhance the desirability of the products. LED lights are versatile and functional in assorted colours, sizes, wattage, and shapes. These factors drive the usage of LED lighting in such commercial spaces.

Export Opportunity

India is gradually getting integrated into the global value chain of electronic products with the increasing adoption of the "China plus" principle by many nations. The total export value of electronic products from India in FY14 was Rs 436.7 billion (USD 7.1 billion) which increased to Rs 1146 billion (USD 16.9 billion) in FY22 and further sharply to Rs 2031.4 billion (USD 25.3 billion) in FY23 (Source: CMIE). The CAGR growth in exports stood at a robust 21.2% over these last eight years.

India's exports of electronic products is expected to grow substantially over the next five years, driven by various government initiatives such as PLI programme and Atmanirbhar Bharat which incentivises manufacturing and exports. India has been exporting LED lights to various nations and that number has grown from 70 in 2014 to more than 100 in 2022. Among the countries importing LED lights from India, the fastest growing markets were Nepal, the United States, and United Arab Emirates.

Market Segmentation

- <u>By product type</u>

The market is divided into lamps and luminaries

The segment with the highest revenue was lamps, and this trend is anticipated to continue as light emitting diode lighting becomes more widely used. There is clearly a growing use of light emitting diode (LED) lamps and the substitution of traditional incandescent lamps with the former.

The light emitting diode systems' growing reliance on contemporary technologies has led to a moderate growth in the luminary's segment.*

- <u>By Application</u>

By application, the market is divided into indoor and outdoor:

The market is growing because LED technology is being used increasingly for outdoor applications. The usage of LED lights in streetlights is growing. To help them reach their energy efficiency targets, the governments in a number of nations have passed regulations requiring the strict installation of LED lighting in outdoor settings. Nonetheless, over the course of the next 5 years, the indoor segment might see the highest annualized growth.

This is a result of growing government programs to supply affordable LED lighting for homes and the need for businesses to lower energy costs and boost energy efficiency.

- By End-User

By end-user, the market is classified into residential, commercial, industrial, highway and roads.

Since LED systems have multiple benefits for home applications, the residential segment is expected to hold the largest market share in the near future. LED lighting is widely used in residential settings to create lighting arrangements with multiple choices in design. The residential sector is expected to sustain a double digit growth over the next 5-10 years. The industrial segment is also projected to see similar trends. On a relative basis, commercial segment is expected to show moderate growth due to limitations in their budgets.

- By Installation Type

By installation type the market is divided into new LED and retrofit LED

Due to a high demand for retrofit LEDs to replace outdated lights that use current electrical fittings, this segment of the global market generated the highest revenue. The new LED segment, however, is anticipated to grow at the fastest rate. This is because increasingly modern, energy-efficient LED lights are being used in both residential and commercial settings.

- By Distribution Channel

By distribution channel the market is divided into online and offline

In 2022, the market revenue that came from the offline segment was the highest. Because of its technological advantages, LED lighting is becoming increasingly popular. Purchasing from physical stores has several advantages, including the ability to experience LED lighting effects in real time and the availability of multiple lighting effects under one roof. Customers find offline distribution channels convenient due to these factors.

The online market, however, is anticipated to grow at a faster rate. The use of artificial intelligence in online stores and consumers' growing inclination for online shopping are expected to fuel the online segment's expansion.

Government Policies and Programmes

One of the key drivers of domestic demand for LED lighting are a number of government initiatives, such as the Street Lighting National Program (SLNP) and Unnat Jyoti by Affordable LEDs for All (UJALA). These campaigns aim to increase consumer awareness of the benefits of switching to LED lighting from conventional lighting sources like halogen, CFL, and incandescent bulbs.

Street Lighting National Program (SLNP)

The Government of India has undertaken various initiatives to promote the usage the LED lights. More than 12.3 million LED streetlights have already been installed in India's Gram Panchayats and Urban Local Bodies (ULBs) under SLNP. This has resulted in energy saving of more than 8.6 billion units of electricity per annum, peak demand reduction of over 1431 MW and 5.92 million tonnes of carbon dioxide emission reduction annually.

UJALA Scheme

In January 2015, the Domestic Efficient Lighting Program (DELP) was introduced, and subsequently, the program was renamed Unnat Jyoti by Affordable LEDs (UJALA). It recommended using LED bulbs instead of CFL, tube, and incandescent bulbs because they are more cost-effective, long-lasting, and have a longer lifespan. The program's goal is to equip every home with 5-star ceiling fans, LED bulbs, and tube lights. Through this programme, more than 250 million households nationwide have benefited.

Performance Linked Incentive (PLI) Scheme

The PLI programme was launched in March 2020 to scale up domestic manufacturing capability, accompanied by higher import substitution and employment generation. Making Indian manufacturing competitive on a global scale through economies of scale and efficiency is the main goal of the PLI scheme. The aim is to establish a comprehensive component ecosystem in India and establish India as a crucial component of the worldwide supply chain.

Under this programme, a specific scheme had been notified for the domestic manufacture of air conditioners and LED lights with a total outlay of Rs 62.38 bn (USD 855 mn) spread over a period of 5 years (FY24 -FY29)..

Essentially, the scheme has provided incentives for the manufacturing of components and sub-assemblies that are currently not produced in large enough quantities in India. The LED core components that are eligible for the scheme are – LED chip packaging, integrated circuits, resistors and fuses.

The scheme has seen moderate success with 16 applications for LED Lights manufacturing with committed investments of ₹ 7.16 bn.

Make in India Initiative

The Make in India initiative aims to promote domestic manufacturing and reduce dependence on imports. This has encouraged the setting up of LED Industry units in the country, leading to the growth of the LED ecosystem.

National Programme for LED-based Home and Street Lighting

The National Programme for LED-based Home and Street Lighting was launched in 2016 to accelerate the adoption of energy-efficient lighting in rural areas. The scheme provides financial assistance to states for replacing conventional lighting with LEDs. Increasing rural residents' access to electricity also opens a sizeable, unexplored market for LED lighting.

LED Lighting Programme of Indian Railways

Indian Railways had already achieved its target of 100% LED lighting across its network by March 2018. This has helped the Railways save Rs 500 million per annum in electricity bills and reduce carbon dioxide (CO2) emissions by 60,000 tons. Currently, it has initiated a rail station development programme called 'Amrit Bharat Railway Stations'. The entire project covers redevelopment works at 1,309 stations across the country with the first 508 train stations across 27 states and union territories to need an investment of Rs 244.7 billion (USD 3 billion). The redevelopment will provide modern passenger amenities along with ensuring better traffic management, intermodal integration and signage particularly for passengers with reduced mobility. Works at the selected stations will include the modernisation of buildings, new platforms and better seating areas along with upgraded waiting rooms. This will continue to drive demand for LED lighting solutions from Indian Railways including those required for signalling systems.

Nature of Competition: LED Lighting Market

The India Lighting Market is highly competitive owing to the presence of many large and regional players in the market. The market players are adopting strategies like product innovation, partnerships, mergers, and acquisitions to extend their geographic reach and stay ahead of the competitors. Some of the major players in the market are Signify Innovations India Ltd (Erstwhile Philips Electronics India Ltd), Havells India Ltd, SYSKA, Wipro Ltd and Bajaj Electricals Ltd among others. According to market sources, Signify has the largest market share of around 10% in India's overall decorative lighting segment.

Key growth drivers for Indian LED market

- Growing demand for energy-efficient lighting solutions and reduced environmental impact is the primary driver for the Indian LED lighting market. Research and extensive practical application of LED lights have proven that these lights consume less energy and produce the same intensity light as other illuminating mediums or lights. This is due to the technology that powers LED systems as it uses electricity to solely emit light instead of using electricity to heat the system and then produce light which is observed in other lighting technologies. LEDs are estimated to use 90% less energy as compared to traditional incandescent bulbs. Moreover, they also last 25 times longer than their counterparts. Since LEDs have a longer lifespan, it translates to a lower rate of carbon emissions. Given the higher durability of LEDs, fewer resources are used for manufacturing new light systems; the same cost and resources can then trickle down to other segments of LED production and transportation.

- With higher urbanisation and increasing per capita incomes in India, the demand for residential LED applications will continue to be buoyant. The expenditure on lighting systems with LED devices will be higher for premium and luxury residential properties as there is higher flexibility for customized designs. As per a real estate research report, around 18% of the real estate units sold in calendar 2022 in the top seven Indian cities were in the luxury category compared to only 7% in the year 2019.

- The domestic commercial real estate is undergoing a significant transformation with the availability of a REIT (Real Estate Investment Trust) funding platform. The participation of large global real estate funds in the Indian market has also enhanced funding opportunities and given an impetus to commercial real

estate development – both for office and retail properties. Higher investment by MNCs and foreign companies in India based R&D units as well as back-end offices have also led to higher demand for high quality office properties even after the Covid pandemic and a trend of working from home. Businesses in a range of sectors, including offices, lodging, schools, and healthcare, may opt to differentiate themselves through human-centred lighting systems. Opportunities for innovation and adaptation are presented by the emergence of smart lighting systems and IoT integration. These trends are expected to translate to strong and sustainable demand for sustainable lighting systems over the long to medium term.

- PLII scheme is strengthening India's manufacturing sector by incentivising domestic and foreign investments and by developing global champions in the manufacturing industry. The scheme currently targets 14 sectors of strategic and economic importance for India's economic growth. This is expected to propel the investments by India's private sector in the Indian manufacturing sector over the next 5 years. The total outlay for the PLI programme is Rs 1.97 tn (USD 26 billion) and 733 applications under the 14 sectors have already been selected which envisages a gross investment of over Rs 5 tn. As on Aug 2023, a total investment of Rs 780 bn has already been made by the private sector, as per the Department of Industry and Trade. Such a step up in industrial investments will also have a positive impact on demand for new generation LED lighting systems. There is a lot of demand potential for industrial applications because industrial lighting has not yet undergone the same level of transformation as LED lighting in other sectors. By providing "Wireless Smart Lighting" instead of standard vanilla products like bulbs and downlights, new opportunities can open up for LED lighting players.

Industry Challenges – LED Lighting

- High Initial Cost

Since high quality LED lights require complicated assembly and expensive raw material inputs, their cost is higher than that of conventional lights. Materials with high thermal conductivity are utilized to disperse heat for LED lights, they also come at a significant cost and weight premium. Along with transportation costs, this drives up the price of the light sources as well as the fixtures that use them. However, manufacturers are attempting to reduce their production costs using innovative designs and technologies.

- Thermal Design Challenges

To prevent damage to the LED chip, the heat produced by LED lights needs to be dispersed appropriately. To address this problem, LED lights are equipped with aluminium heatsinks, which necessitate specific design advancements for optimal performance. This also raises the cost of manufacturing.

- Lack of Adequate Consumer Awareness

When purchasing lighting products, many customers do not take the total cost of ownership into account. However, consumers have begun to realize the long-term advantages of making the switch to LED lights due to the lights' decreasing costs as well as their simplicity, energy efficiency, and longer lifespan.

- High Capital Investment

Establishing production facilities and purchasing machinery and equipment necessitates a significant capital investment for the LED industry. This limits competition and innovation by making it difficult for small and medium-sized businesses to enter the market.

- Performance Consistency

It can be challenging for an LED user to set strict flux and colour specifications for most applications because LEDs are manufactured in a distribution of colours (wavelengths or colour-corrected temperatures, CCT), light output (intensity or luminous flux), and forward voltage/efficiency. It is crucial that multiple fixtures produce the same colour and amount of light; this is true for both temporary and permanent installations.

- Operating Temperature

The temperature of the operating environment has a major impact on LED performance. Heat frequently causes irreversible damage to LEDs, lowers their performance by reducing light output, and causes devices to fail before their time.

- Light Pollution

Light pollution includes halo effect light, glare and spill light, and other types of light. LEDs emit directed light by virtue of their construction and functionality. LEDs are concentrated, tiny light sources that can frequently produce uncomfortable glare when used for general lighting. However, the other advantages of LED lighting significantly offsets such inconvenience.

- Lack of skilled workforce

LED Industry requires skilled workforce in areas such as designing, testing, and quality control. However, there is a shortage of skilled workforce in the country, which is affecting the growth of the industry.

- Lack of infrastructure

The LED manufacturing requires a reliable power supply and transportation infrastructure for the timely delivery of goods. However, India's infrastructure is still developing, which can affect the efficiency and competitiveness of the industry.

- Import Dependence

While the government has taken the initiative through PLI to promote domestic manufacturing of LED systems, India still depends on imports for some key components of LED products, such as chips and phosphors. Such dependence on imports continue to affect the cost competitiveness of Indian manufacturers.

- Price Competition

The LED manufacturing is highly competitive, and manufacturers are often under pressure to reduce prices to remain competitive. This can affect the profitability of the industry and limit investment in research and development.

LED Display Segment

Overview

An LED (light-emitting diode) display is a type of electronic display that utilizes an array of LEDs to display information, images, or videos. LED displays are widely used in various applications, such as television screens, digital billboards, sports scoreboards, traffic signs, and indoor/outdoor advertising. One of the primary advantages of LED displays is their high brightness and contrast, which make them easily visible even in bright outdoor environments. They also offer a wide viewing angle and are energy-efficient, which makes them a popular choice for businesses and organizations looking to save on their advertising and promotional costs. LED displays can be customized to display a wide range of content, from plain text messages to complex graphics and animations. They are also durable and can withstand harsh weather conditions, making them ideal for outdoor use.

LED (Light-Emitting Diode) technology originated in the 1960s, but it wasn't until the 1990s that LED display screens began to make their mark. Initially, LED displays were limited in terms of resolution and colour reproduction. However, they quickly gained popularity due to their energy efficiency, long lifespan, and ability to deliver vibrant visuals even in challenging lighting conditions.

The growing demand for eco-friendly and energy-efficient display solutions, the expanding use of LED displays in a variety of both outdoor and indoor applications including entertainment and advertising, and the developments in display technologies are some of the factors propelling the global market for LED displays. These factors are opening up new opportunities for manufacturers to create innovative LED displays that can adapt to changing consumer demands. However, the high initial cost of LED displays, the difficulty of producing large-sized displays, and the growing competition from alternative display technologies like OLED and QLED are some of the challenges being faced by the LED display industry.

Indoor LED Display Segment

Over the forecast period of 2023-2028, the Indian Indoor LED Display Market is expected to grow at a robust annualized rate of 19%. The market is expected to grow due to rising demand from different application areas, including conference rooms for meetings and shopping malls. It is projected that key attributes like crisp picture images and low operating costs will fuel the indoor LED display market's expansion.

Based on factors like screen size, application, sales channel, pixel pitch, and regional distribution, the Indian indoor LED display market is divided into several sub-segments. The market can be divided into shopping mall,

boardroom, railway, airport, operations control room and others depending on the application. Indoor LED displays in shopping malls are becoming increasingly popular and this segment held the biggest market share in 2019. Over the next five years, it is anticipated that the major players in the indoor LED display market will capitalize on the growth opportunities with their end-to-end solutions, which include everything from manufacturing to after-sales services.

The major players operating in the Indian Indoor LED Display Market (as per data available in the public domain) include Delta Electronics Pvt Ltd, Christie Digital Systems (India) Private Limited, Barco Electronics Systems Private Limited, Layard Hong Kong International Co. Ltd, AOTO Electronics, Samsung India Electronics Private Limited, LG Electronics India Limited, Panasonic India Pvt. Ltd, among others. Clearly, the major players in the television market also have a significant presence in the indoor LED display market.

Outdoor LED Display Segment

India outdoor LED display market is projected to expand at a CAGR of 15% during the period 2023-28. The major growth drivers for the India outdoor LED display market include an increasing adoption of digital advertising and the shift from traditional static displays to dynamic and interactive LED displays. Advertisers see significant value in the attention-grabbing capabilities and the versatility of outdoor LED displays. Rapid urbanization and infrastructural development in India have created a demand for modern advertising and new information dissemination mechanisms. Outdoor LED displays cater to this need by providing a flexible and eye-catching medium to communicate with large audiences. The reduced prices of LED display technology and advancements in display quality have also played a vital role in the outdoor display market expansion. With declining product prices, more businesses and organizations can invest in outdoor LED displays, leading to deepening market penetration.

The Changing LED Display Industry: Miniaturization and Ultra-Thin Screens

Mini LEDs are smaller than the average LED, with diodes that measure in the 0.008-inch (200 microns) range, or about a fifth the size of what a standard LED measures. That smaller size means that more of them can be packed together in the same area, allowing a full array backlit screen to have thousands of micro LEDs behind the LCD panel, and to offer a hundred or more discrete dimming zones.

Micro LEDs are even tinier and offer a much bigger change to display technology. Current micro-LED sizes are as small as 50µm — about 0.002 inches across — making them 1/100th the size of a conventional LED. That's just about small enough to serve as a single pixel in conventional screen sizes and resolutions. If mini-LEDs provide a refinement on the existing LCD backlight, micro-LED promises to be more revolutionary, offering a technology with better brightness and more vivid colour.

Micro LED, alternatively referred to as micro-LED, mLED, or µLED, is a nascent flat panel display technology, wherein individual pixel elements are formed by arrays of tiny LEDs. The initial invention of inorganic semiconductor micro-LED (µLED) technology dates to 2000, when Texas Tech University researchers Jingyu Lin and Hongxing Jiang were at Kansas State University. Compared to the LCD technology, micro LED displays offer better contrast, response times, and energy efficiency. They are also capable of high-speed modulation and have been proposed for chip-to-chip interconnect applications.

Micro LED offers reduced energy requirements when compared to conventional LCD displays while also offering pixel-level light control and a sharp contrast ratio. The inorganic nature of micro LEDs gives them a longer lifetime advantage over OLEDs and allows them to display brighter images with minimal risk of screen burn-in. The sub-nanosecond response time of Micro LED has a huge advantage over other display technologies for 3D/AR/VR displays since these devices need more images, more pixels per image, more frames per second and fast response.

Innovation in the LED industry has undoubtedly continued to accelerate as the market has expanded. The technology's remarkable progress lies in its ability to reduce the dimensions and mass of the components required to construct an LED screen. It has also made it possible for the screens to enlarge to gigantic proportions and become incredibly thin, enabling them to rest on any surface—inside or outside.

Global Market Demand – Display Panels

Business analysts have projected huge global demand for display products of various types (flat panel, flexible panel and transparent panel), of various technologies (OLED, Quantum Dot, LED, LCD, e-Paper and others), various applications (Smart phones, tablets, Smart wearable's, television, Digital Signage, PC, laptop, vehicle display and others), various industry verticals (Health care, Consumer Electronics, Retail, BFSI, Defence, Automotive etc) and various geographical domains (North America, Europe, Asia Pacific and LAMEA (Latin

America, Middle East, Africa) countries. The annual aggregate global demand for display panels is projected as around US $ 200 bn by the year 2025. While a major part of the demand is projected from North America (USD 66 billion), the growth is expected to be higher and in double digits for Asia Pacific at 11.0%.

The adoption of various display technologies is predicted to be influenced by an increase in the demand for consumer electronics, including smartphones, laptops, televisions, and other electronic devices, as well as by the growing internet penetration and increased digitization in the global economy.

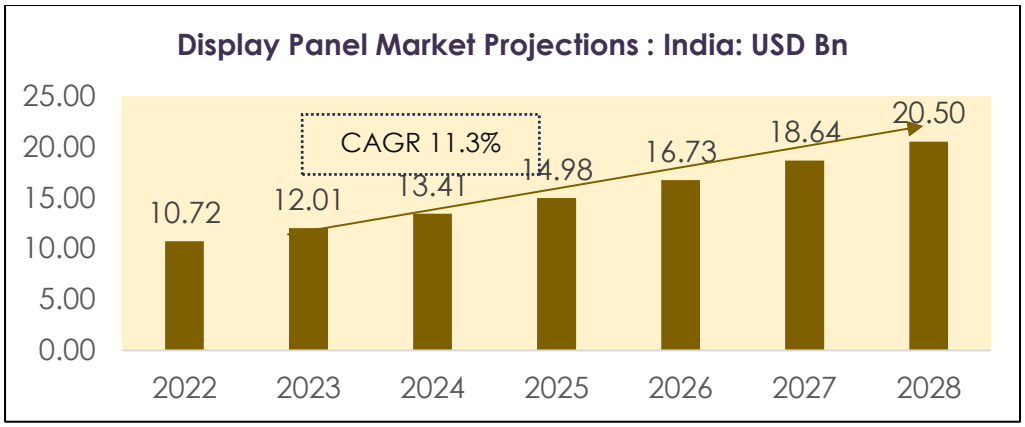
To remain competitive in the market, companies like Vivo, Oppo, Samsung, Formi, Huawei Technologies Co., Ltd., Vizio Inc., and Lava are concentrating on extensive research and development activities to provide high quality display solutions that offer immersive visual experience. Numerous multi-touch display launches, stretchable displays, and other new products with 2D and 3D solutions have already been announced.

India Market Size – Display Panels

The overall display market size in India is projected to grow from an estimated size of USD 10.7 bn in 2022 to USD 12.0 bn in 2023 to reach around USD 20.5 bn by 2028, implying an annualised growth of 11.3%.

Significant adoption of signage and interactive displays by various industry verticals, including, healthcare, education, sports, and entertainment for the purpose of branding, advertisement and broadcasting has had a positive impact on the Indian outdoor display market. The successful adoption of digitization, automation, artificial intelligence (AI), the Internet of Things (IoT) across various industries in India is driving substantial adoption of LED displays and replacement of Liquid Crystal Display (LCD) and Cathode Ray Tube Displays in various applications. The next generation display solutions are offering depth perception to the viewers, and in addition, the promising deployment of breakthrough sensor technology and Electroluminescent Displays across corporate premises, educational institutions, government organizations, along with residential arenas are resulting in a solid growth of the India Outdoor Display Market. Leading brands such as Samsung, Huawei Technologies Co., Ltd., Vizio Inc. and more are striving for display innovation in finished products, including smartphones, TVs, and various electronic solutions and also create customized projective capacity which will further promote the growth of the Indian display market.

LED Display Panel Market - India



Source: Acuité Research

Advantages of LED Displays

- Enhanced Resolution

The LED display industry uses pixel pitch as a standard measurement to indicate the resolution of a digital display. Pixel pitch is the distance from one pixel (LED cluster) to the next pixel beside it, above it, and below it. A smaller pixel pitch compresses the spacing, resulting in a higher resolution. The earliest LED displays used low-resolution light bulbs that could project words only. However, with the emergence of newer LED surface mounted technology, the ability to project not only words, but pictures, animations, video clips, and other messages is now possible. Today, 4K displays with a horizontal pixel count of 4,096 are quickly becoming the standard.

- Improved Brightness

The LED clusters that currently comprise LED displays have come a long way from where they began. Today, LEDs emit a bright light in multiple colours. When combined, these pixels or diodes can create eye-catching displays that can be viewed at wide angles. LEDs now offer the greatest brightness of any type of display. These brighter outputs allow for screens that can compete with direct sunlight—a huge advantage for outdoor and window displays.

- Versatility

Given the temperature swings seen in many climates, varying humidity levels, and salt air along the coasts, LED displays are being manufactured to withstand a wide range of weather conditions. Today's LED displays are reliable in indoor or outdoor environments, opening many advertising and messaging opportunities. The glare-free nature of LED screens makes LED video screens a prime candidate for a variety of settings including broadcast, retail, and sporting events.

Market Segmentation

Based on type, the market is segmented into indoor LED display and outdoor LED display segments.

India Outdoor LED Display Market

Outdoor LED displays are electronic display panels or screens that utilize LED technology to highlight dynamic and visually engaging content in various outdoor settings. The outdoor LED segment of the LED display market is experiencing significant growth due to the increasing demand for high-quality, energy-efficient, and durable outdoor display solutions. Outdoor LED displays are widely used for advertising, sports events, concerts, and other outdoor events, as they offer excellent brightness, high resolution, and the ability to display content in any weather condition.

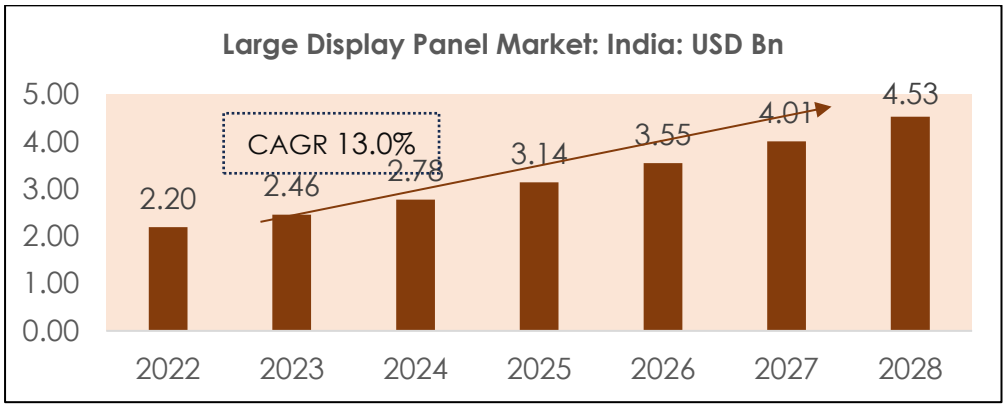
The India outdoor LED display market refers to the industry segment that encompasses the manufacturing, distribution, and deployment of LED display systems designed for outdoor applications. These displays are commonly used for advertising, brand promotion, information dissemination, and entertainment purposes in public spaces, transportation hubs, sports stadiums, billboards, and other outdoor environments. The India outdoor LED display market involves the production of LED display modules, the development of control and management systems, as well as the integration and installation of complete LED display solutions for commercial, institutional, and public use. This market segment also includes related services such as maintenance, support, and content management for outdoor LED display installations.

Based on application, the outdoor market is segmented into advertising media, traffic & security, information display, stage performance, sports arena, and other segments. The traffic & security segment is estimated to hold the largest market share and is further projected to grow in double digits during the forecast period – driven by the increasing demand for smart traffic management solutions and enhanced security measures in public places.

Large LED Display Segment

The Large Display market size in India was estimated to be USD 2.2 bn in 2022 and USD 2.5 bn in 2023. Acuité Research expects it to grow at an annualised rate of 13.0% over the period 2023-2028.

LED Large Display Panel Market - India



Source: Acuité Research

High adoption of digital signage as well as interactive displays by end users from the commercial sector is driving the large display market in India. This apart, rising demand for 4K and 8K high-resolution commercial-grade large panel displays from healthcare, sports & entertainment and education industry are also shaping the growth of the market. Strong growth in advertising industry is one of the factors that indirectly influences the market growth. According to data from public domain, advertising industry in India is estimated to be the second fastest growing advertising market in Asia after China. Further, the government of India is promoting the use of digital advertisement platforms. For example, in December 2020, Indian Railways adopted a new advertising policy i.e., installing of 100,000 digital screens at 2,175 railway stations across the country, which is anticipated to generate US$ 1.76 billion revenue annually., thus influencing the market growth.

LED Display – Consumer Electronics Segment

Consumer Electronics is one of the largest segments in the LED display market with applications in televisions sets, laptops, smart phones and other consumer electronic products. The size of the LED display segment in this sector is estimated to be USD 7.5 bn in 2023 and is projected to grow to USD 12.2 bn in 2028 based on an annualised growth of 11.0%.

With higher per capita incomes and higher penetration of digitization, the ownership and use of smartphones and laptops is set to grow strongly over the medium term. While smartphone sales in India was reported to have declined in 2022, India continues to be the second largest smartphone market in India after China and the long term growth drivers remain strong.

Further, the growth of Display solutions for Consumer electronics industry is majorly driven by the increasing technological advancement and innovation for new generation of television sets, laptops, smartphones, and many others electronic devices.

Additional Application Segments – LED Display

With the deepening of global informatization and the continuous innovation of display technology, display has become one of the main channels for information transmission, and the downstream application fields apart from the standard applications, are extensive. LED display is widely used in performing arts stage, monitoring and scheduling, competitive events, exhibition display, commercial advertising, virtual shooting, celebration activities, conference activities, TV performance, information release, creative display, smart city, and other fields. Typical application scenarios of LED display are introduced as follows:

<u>Performing arts stage</u>

With the advancement of LED display technology, professional theatre performances, cultural evenings, concerts, music festivals and other indoor and outdoor cultural performance have found new means to showcase their creativity and create better impact.

<u>Monitor scheduling</u>

Display control is used in the field of monitoring and scheduling for continuous acquisition of video images, clarity processing, multi-source splicing, and low-loss transmission. The technical coverage in the field of monitoring and scheduling is wide, involving modern computer technology, integrated circuit application technology, network control technology, video processing and transmission technology and software technology, etc., and finally all information is displayed on the display screen.

<u>Competitive events</u>

In the era of monochrome and two-colour LED displays, the role of LED displays in sports events was limited to displaying simple information such as scores and athletes' names. With the development of LED display technology, LED displays are becoming increasingly widely used in the field of sports events, and specific application scenarios include sports video walls, stadium peripheral displays, centre hanging displays, etc. These new on-screen applications meet the needs of long-distance viewing of sports events, ensuring that viewers receive clear, vivid colour images, and can provide game footage playback, real-time broadcasting, background screening and more.

<u>Exhibition display</u>

Thanks to the advancement of display technology, modern exhibition and display activities have developed from passive reception of exhibition information by visitors in the past to interactive viewing experience. LED display

has the characteristics of large display area and colourful visual effects and is a combination of media and high-tech display technology. Moreover, LED display is not only a display device, but it also has the characteristics and advantages of TV and other media equipment and further has a broader three-dimensional space to communicate with the audience, which can greatly improve the exhibition effect, attract the attention of the audience better and enhance the viewing experience.

Commercial advertising

Traditional print static ads have the disadvantages of less information transmission, limited static display effect, and high content update cost. LED display can achieve high-quality video playback, with its visual effects, can effectively improve the amount of information transmission, and has the advantages of minimal maintenance cost, fast content update, etc., in recent years in the advertising media industry popularity has increased significantly.

Virtual shooting

In recent years, small-pitch LED screens have penetrated the radio and television industry market, and have advanced from simple terminal displays, studio background screens, and stage performance screens to "production-level" virtual shooting fields with "higher requirements". Compared with traditional green screen technology, virtual shooting technology integrates LED display with virtual camera system, spatial positioning system, and real-time rendering system, and uses digital virtual screen as a "scene", directly replacing "non-reused set construction", saving on-site resources and time. Actors perform directly in a virtual environment, which has a stronger sense of immersion, shooting efficiency and better results. The combination of LED display technology and virtual shooting has enormous potential to address the customized requirements of the film industry.

Key growth drivers for Indian LED Display market

- Infrastructure development and upgradation on a large scale in India will lead to the extensive use of LED displays whether in airports, railway stations, sports stadiums and other public transportation systems.

- The need for high quality, high impact advertising and product promotion has increased due to intense competition among retail consumer and luxury brands – this is where LED displays in the right locations can not only enhance visibility of a brand but also generate a positive recall in the minds of the consumers.

- High growth in the commercial real estate market – office complexes, shopping malls, hotels and entertainment centres will also propel the demand for indoor high quality LED displays. Additional demand due to corporate and social events, funfair games and an increase in live performances.

- One of the important purchase drivers for LED displays is the value proposition- reasonable operational costs, high energy efficiency and environmental sustainability.

Challenges in the LED Display Market

- High Initial Cost

One of the key challenges in the LED display market is the high initial cost of the product, the complexity of manufacturing large-sized displays, and the increasing competition from other display technologies such as OLED and QLED

- Rapid Technological Evolution

As technology continuously advances, so does the technology of LED display screens. This means that companies must consistently invest in R&D to maintain the competitiveness of their products. For some smaller enterprises, this can pose significant financial hurdles.

- Intense Price Competition

With the increase in LED display screen suppliers in the market, the competition in product pricing has become intense. This has led to a squeeze in overall profit margins, impacting the growth of such businesses.

- Environmental and Energy-saving Pressure:

As global emphasis on environmental protection and energy-saving grows, LED display companies face higher environmental standards and energy-saving requirements. This not only increases production costs but might also lead to the phasing out of some traditional products.

- International Trade Barriers:

In the context of globalization, LED display companies must confront various international trade barriers, such as tariffs and technical standards, posing challenges to their exports.

Impact of technological advances and innovation

Digital LED displays have evolved rapidly - screens are becoming larger, thinner, and are available in a variety of shapes and sizes. Future LED displays will employ artificial intelligence (AI), increased interactivity, and even self-service. In addition, pixel pitch will continue to increase, allowing the creation of exceptionally large screens that can be viewed up close with no loss in resolution.

As technology progressed, LED display screens underwent significant improvements. The introduction of SMD (Surface-Mounted Device) LEDs enabled higher resolution and better colour accuracy, making them suitable for a wide range of applications. Miniaturization of LEDs allowed for higher pixel densities, resulting in sharper images and more immersive viewing experiences.

One of the key strengths of LED display screens is their adaptability to various environments. They can be customized to fit different shapes and sizes, making them ideal for both indoor and outdoor applications. LED displays can be curved, flexible, or modular, facilitating seamless integration into architectural designs or unconventional installations. This versatility has opened new possibilities in advertising, entertainment, retail, sports arenas, and even art installations.

LED display screens have transformed the way we consume visual content. With their ability to reproduce vivid colours, sharp contrast ratios, and deep blacks, LED displays provide an impressive visual experience that captivates viewers. From high-resolution screens highlighting breathtaking images to dynamic video walls that engage audiences, LED technology has enhanced the art of visual storytelling.

LED display screens are well known for their energy efficiency. Compared to traditional display technologies, LEDs consume significantly less power, reducing energy costs and environmental impact. Additionally, LED screens have a longer lifespan, resulting in less frequent replacements and reduced electronic waste. These sustainability features make LED displays an environmentally friendly choice for businesses and organizations.

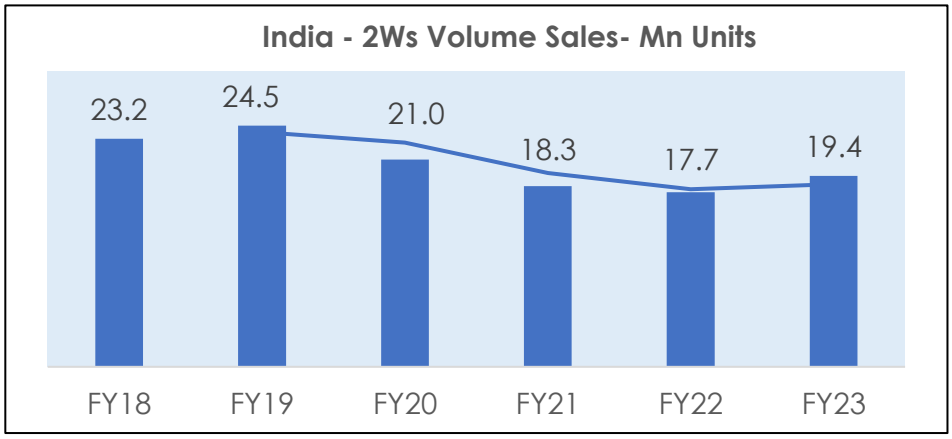
Electric Vehicles – Two Wheelers (2W)

<u>Industry Overview – Overall 2W market in India</u>

Size of the 2W market by value and volume, growth outlook:

India is the largest market for Two Wheelers (2W) in the world. The key demand drivers in the country are the need for fuel-efficient vehicles, the expanding working women population, the lack of adequate and efficient public transportation systems in Indian cities and towns and rising per capita incomes as well as improving road connectivity in the rural areas of India.

The 2W market in India has been estimated to have a size of around USD 23 billion (Rs 1.9 trillion) in 2023 and is estimated to reach USD 33.1 billion (Rs 3.0 trillion) in 2028, registering a CAGR of 10.0% in rupee terms and 7.5% in dollar terms (Projections – Acuité Research). Over the next few years, the two wheeler market will be driven by steady replacement of petrol 2Ws by EV 2Ws, upgradation from basic models to premium bikes and increasing penetration in the rural and remote areas of the country.



*Source: CMIE Prowess

There has been a distinct slowdown in the growth of the 2W market over the last ten years, which also includes the Covid period. While the volume growth CAGR over the period 2002-12 was 13.6%, it has dropped substantially to 2.2% over the next ten years i.e 2013-23. The demand scenario for 2Ws have seen a particular slowdown since FY20 which continued even after the Covid pandemic. From a high of 24.5 million units in FY19, the volume sales in this industry dropped to a low of 17.7 million units in FY22 before partly recovering to 19.4 million units in FY23. While the YoY growth in FY23 was at 9.6%, the absolute volumes are still significantly less than that in FY19. The key factors behind the structural downturn in the 2W industry are as follows:

- Weakness in rural demand particularly during the Covid period when there was a severe disruption in economic activity
- Significant escalation in the 2W prices which is estimated to be around 50% for entry level models in the last three years; higher cost of ownership along with relatively high retail inflation that impacts the overall affordability levels, has also led to slower demand in the mass market segment.
- Global slowdown after the Covid pandemic, rising inflation and currency depreciation in the countries of Africa and Latin America which have been a major market for India's 2W exports.

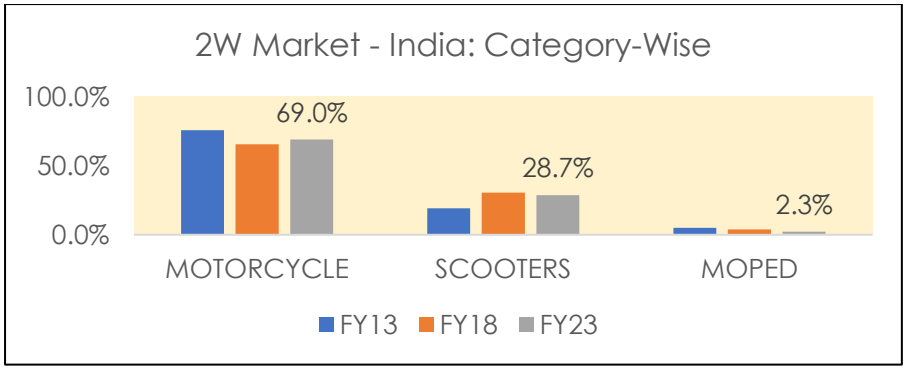
Year	Million Units		
	Domestic Sales	Export Sales	Total Sales
FY2018	20.3	2.9	23.2
FY2019	21.2	3.3	24.5
FY2020	17.5	3.5	21.0
FY2021	15.1	3.2	18.3
FY2022	13.4	4.3	17.7
FY2023	15.8	3.6	19.4
FY2024	18.4	3.4	21.8

Acuité Research expects the 2W volume sales for Indian OEMs to grow at an annualized rate of 7.0% over the next 5 years. As per SIAM, the domestic despatches have seen a growth of 6.6% in the Apr-Oct'23 period vs Apr-Oct'22. Exports, however, has contracted by 17.3% over the same period, highlighting the global headwinds. Going ahead, the growth rates are likely to strengthen to some extent with stronger rural demand, pickup in transition to EVs and a turnaround in the export market.

Clearly, the market for electric 2W in India is expected to grow at a higher rate than the overall market. While the share of EVs was negligible in FY19, it has increased to 5% in FY23.

Split of 2W market by category (motorcycles, scooters, and mopeds):

The 2W market in India is divided into three main categories: **Motorcycles, Scooters, and Mopeds.**



The share of motorcycles in the 2W market has declined from 75.8% in FY13 to 69.0% in FY23. On the other hand, the share of the scooter segment has recovered from 19.1% to 28.7% over the same period. The share of the moped market has been marginalized further from 5.0% to 2.3%. The relative saturation in the mass motorcycle market, the launch of new scooters and particularly in EV versions may have driven such an adjustment in market share. Nevertheless, motorcycles continue to remain the dominant category in this market and Acuité Research doesn't expect any significant change in that position over the medium term.

Industry Overview – Overall Electric 2-Wheeler market in India

Size of the Electric 2W market, split between high speed, and low speed, and between E-scooters and E-motorcycles:

The Electric 2W market in India is growing rapidly due to the increasing demand for eco-friendly and cost-efficient vehicles amidst high retail prices of petrol. The subsidies provided by the Government of India under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME-II) scheme and lower GST of 5% on 2W EVs have also contributed to improved affordability and demand.

*FAME subsidy amounts to Rs 10,000 per kWh, capped at 15 percent of the ex-factory price of vehicles. Earlier, the incentive was at 15,000 rupees per kWh with a cap of 40 percent of the cost of vehicles. However, this subsidy is not applicable for low-speed two-wheelers; only models with top speed of at least 40 kph and minimum IDC range of 80 km are eligible for the subsidy.

- The market can be split into two categories: High-Speed EV 2Ws (top speed more than 25 km/hr.) and Low-Speed EV 2Ws (top speed less than 25km/hr.). Here is an overview of the size of the electric 2W market in India:

High-Speed EV 2Ws:

The High-Speed EV 2W market in India is much larger than the Low-Speed market. The sales of High-Speed 2Ws increased significantly to 9,44,000 units in FY 2024 from 7,26,976 units in FY2023. The market for high-speed models is expected to grow further in the coming years, driven by government subsidies and increasing consumer awareness about the benefits of electric vehicles.

Low-Speed EV 2Ws:

The Low-Speed EV 2W market in India is relatively small. The sales of low-speed electric two-wheelers increased to 120,000 units in FY2023 from 75,457 units in FY2022. The market for low-speed models, however, is also expected to grow rapidly in the coming years given the rising fuel prices, higher need for short distance commute in high traffic zones and increasing consumer demand for eco-friendly vehicles.

- The market can be also segmented into two categories: E-Scooters and E-Motorcycles:

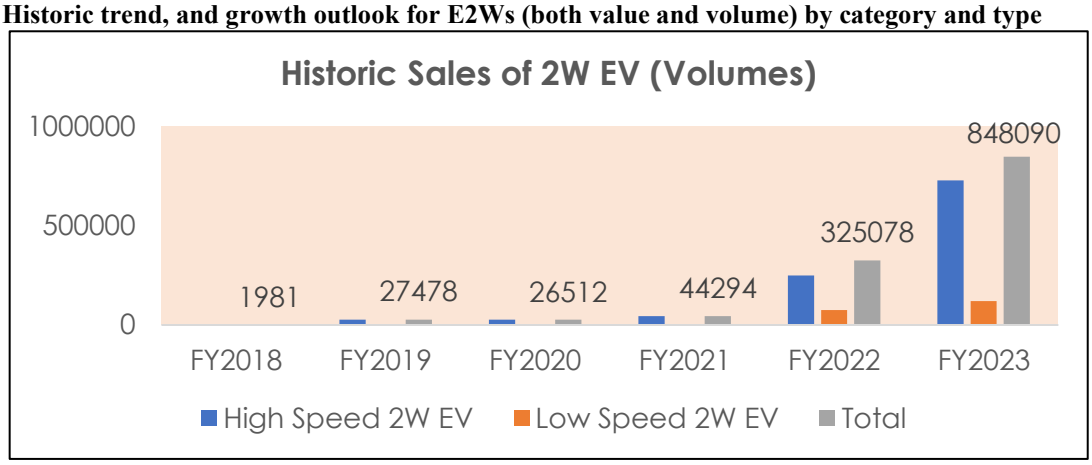
E-Scooter Market:

The E-Scooter market in India has been the primary driver of the Indian 2W EV market. It is expected to continue dominating the Indian E2W market in terms of both value and volume.

E-Motorcycle Market:

The E-motorcycle market in India is still at a nascent stage, with limited options available in the market. While the market is expected to develop in the coming years, the growth is likely to be slower compared to the E-Scooter market due to the higher cost of E-motorcycles and limited infrastructure for charging high-speed E-motorcycles.

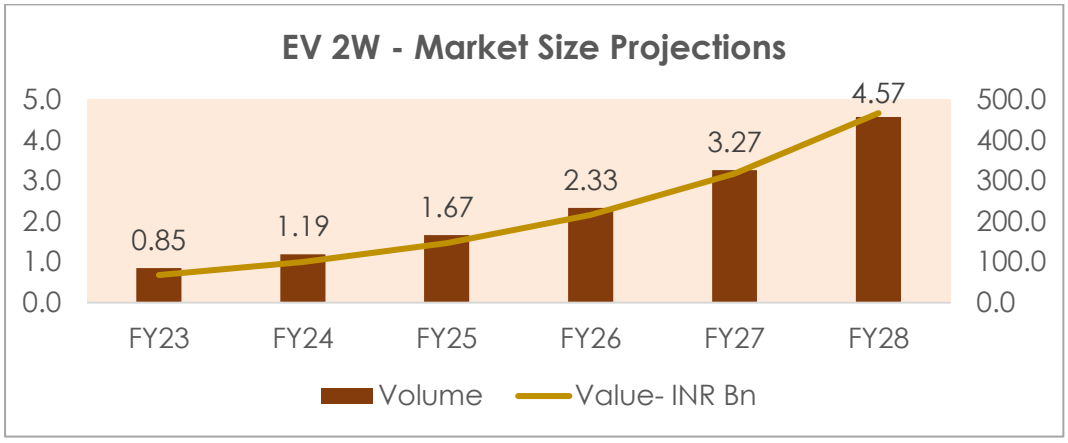
Historic trend, and growth outlook for E2Ws (both value and volume) by category and type



While there has been a sharp volume growth in the 2W EV market in the last 3 years, the market is still at an early stage of development and has very high growth prospects over the medium to long term. Beyond the government incentives, the improving economies and cost of production of EVs including the batteries, the development of charging infrastructure and a visible transition towards clean and sustainable transportation solutions among consumers will propel demand in this category.

Market size, historical sales (by value and volume) of E2W, and its growth outlook

Market size: The E2W market in India was valued at around USD 0.8 billion Rs 68.0 billion in FY23. Acuité Research expects the market to grow at a robust rate of 40% over the next 5 years to reach a size of USD 5.6 billion (Rs 467 billion) in FY28.



Historical Sales: The sales of electric two-wheelers in India have been on the rise. According to the Society of Manufacturers of Electric Vehicles (SMEV), around 0.85 million electric two-wheelers were sold in India in FY2023. It's likely to surpass the milestone of 1 million units in the current financial year.

Growth Outlook: The growth outlook for electric two-wheelers in India is strongly positive. The Indian government has set ambitious targets for electric vehicle adoption, aiming for a significant share of electric vehicles on the road by 2030. The growth is expected to be supported by ongoing government incentives, expanding charging infrastructure, reducing battery costs, and increasing consumer acceptance of electric vehicles.

Domestic demand and supply assessment for E2W market potential, and outlook

The market potential for E2W in India is significant, given the large population of two-wheeler users and the increasing demand for clean and sustainable transportation options.

Demand Assessment:

- **Increasing Environmental Concerns:** Rising pollution levels and environmental consciousness have driven the demand for electric two-wheelers as a cleaner and greener alternative to conventional petrol-powered vehicles.

- **Urban Mobility:** Indian cities face traffic congestion and limited parking spaces, making electric two-wheelers an attractive option for efficient and convenient urban commute.

- **Government Initiatives:** The Indian government has introduced various schemes, incentives, and subsidies to promote electric vehicle adoption. These measures, such as the Faster Adoption and Manufacturing of Electric Vehicles (FAME) program, aim to drive domestic demand. GST rate on EVs have been kept at a low level of 5.0%.

- **Total Cost of Ownership:** Electric two-wheelers have lower operational and maintenance costs compared to conventional petrol-powered vehicles, making them financially attractive to consumers over an usage period of 3-5 yrs.

Supply Assessment:

- **Manufacturer Focus:** Several Indian and international manufacturers have entered the electric two-wheeler market in India. Companies like Hero Electric, Okinawa Autotech, Ather Energy, Revolt Motors, and others are actively manufacturing electric two wheelers.

- **Technological Advancements:** Manufacturers are investing in research and development to improve battery technology, range, and performance of electric two-wheelers.

- **Production Infrastructure:** Companies are establishing manufacturing facilities, assembly lines, and supply chains to meet the increasing demand for electric two-wheelers.

- **Government Support:** The Indian government has provided support to domestic manufacturers through incentives, subsidies, and policies aimed at boosting domestic production of electric vehicles.

Market Potential:

The market potential for E2W in India is significant, given the large population of two wheeler users and the increasing demand for clean and sustainable transportation options. The Indian government has set a target of achieving 50% electric mobility in the country by 2030, which is expected to create significant opportunities for E2W manufacturers. The increasing demand for electric motorcycles in urban areas, where pollution and traffic congestion are major issues, is expected to drive the growth of the market in the coming years.

Outlook:

The outlook for the E2W market in India is strongly positive, driven by the increasing demand for clean and sustainable transportation options and the government's focus on promoting electric mobility. The market is expected to grow rapidly in the coming years, driven by the increasing availability of technologically advanced E2W and the government's initiatives. The market for E2W in India is projected to double to around 1.7 million units by FY25 and increase by 5x to 4.6 million units by FY28, driven by the increasing demand for these vehicles.

Key Players and Vehicle Category of the Electric Two-Wheeler Industry in India

The chart below represents the market share of the top 7 largest private players in the EV-2W market in the month of December 2022. Ola has the largest market share of 26% followed by TVS (14.5%) and Hero Electric with 12.5%.

As illustrated in the below donut chart, represents the vehicle category of electric two-wheeler models. Level 1 (L1) i.e., the low-speed E2W acquire 65.2% of the as compared to Level 2 (L2) i.e., the high-speed E2W.

Source: Public Domain

Exports

India's E2W exports are estimated to be Rs 2.20 billion (USD 26 million) in FY24 and is projected to grow to Rs 68.5 bn (USD 845 million) by FY28.

Manufacturing capabilities of the players

India is the world's second largest two-wheeler market. Over the last 3 years, the EV two-wheeler and three-wheeler segments have witnessed rapid growth as the country paves way for greater adoption of cleaner, cost efficient, and greener electric vehicles. Atul Auto, Ather Energy, Hero Electric, Lohia Auto, Mahindra Electric, Okinawa, and Ola Electric are among the leading electric vehicle manufacturers, with other new entrants like EeVe, Matter, and PURE EV.

Modern electric bikes and scooters generally use a lithium-ion battery pack as the power source for the electric motor. The competitive landscape of the electric 2W market is giving consumer better options in terms of pricing, vehicle type, vehicle designs and more.

The top electric two-wheeler companies in India (ranking based on electric two-wheeler sales):

- **Ola Electric**

Ola Electric accounted for the largest number of EV sales in India. The EV manufacturer set up the world's largest 2W factory in Tamil Nadu (a state in South India) with an annual production capacity of 10 million units. Despite some challenges such as the range of its EVs and delayed deliveries, Ola figures on the top of the list as the biggest electric 2W seller based on the number of registered vehicles in 2023.

- **Okinawa Autotech**

Okinawa is a Gurgaon-based electric two-wheeler manufacturing company established in 2015. The company's product portfolio includes Lithium-ion high speed (OKHI-90, iPraise+, iPraisepro, Dual 100, Ridge 100, and Ridge+), Lithium-ion slow speed (R30 and Lite). Okinawa ranked a close second as the country's second biggest 2W-EV seller.

- **Hero Electric**

Hero Electric is one of India's leading electric scooter companies with a wide range of electric scooters and bikes. The company's product line-up includes City Speed variant with speed of more than 45 km/hr (CX): Hero Electric Photon LP, Hero Electric Optima CX-Dual Battery, Hero Electric Optima CX-Single Battery, and Hero Electric NYX HS500 ER Comfort Speed variant with max speed of 25 km/hr (LX): Hero Eddy, Hero Electric NYX E5, and Hero Electric Atria LX.

- **Ampere Vehicles**

The country's fourth biggest 2W-EV player—Ampere—is owned by Greaves Cotton, which is an Indian engineering company specializing in engine and heavy equipment manufacturing. As part of its plan to increase market share in the Indian EV space, Greaves Electric Mobility (Greaves Cotton's e-mobility wing) launched its largest EV plant in Tamil Nadu, with an initial capacity to produce 1.20 lakh units annually.

- **Ather Energy**

Ather Energy occupied the fifth position on the list of India's electric 2W companies. Ather Energy is known for building fast and intelligent electric scooters, including the Ather 450X and the Ather 450 Plus. Moreover, the company has established the Ather Grid—the electric vehicle charging infrastructure across the country.

In addition, India's powerful EV bike and scooter range includes Oben Rorr (Oben Electric), Revolt RV400 (Revolt Motors), Tork Kratos R (Tork Motors), Simple One (Simple Energy), and TVS iQube Electric (TVS Motor Company).

Key growth drivers and challenges for the 2W EVs

Overall demand and growth drivers of domestic 2W industry

The domestic 2W industry in India is driven by several factors, including the followings:

- **Increasing urbanization:** With the rapid pace of urbanization in India, there is a growing demand for affordable and efficient modes of transportation which caters the need for personal mobility, which further makes 2W a popular choice.

- **Rising income levels:** With increasing income levels, more people can afford personal vehicles, and 2W are often the most affordable option.

- **Availability of finance:** The availability of easy and affordable finance options has made it easier for people to purchase two wheelers.

- **Government policies:** The government has taken several measures to promote the growth of the 2W industry, including tax incentives and subsidies for both manufacturers and consumers.

- **Low maintenance and operating costs:** 2Ws have lower maintenance and operating costs compared to cars, making them a more cost-effective option for many.

- **Increasing focus on electric vehicles:** With the increasing focus on sustainable transportation and reducing carbon emissions, the demand for electric 2W is expected to grow in the coming years, which is also likely to drive the growth of the industry.

Demand and growth drivers of the E2W industry, overall and by segment

The demand and growth drivers of the E2W industry in India are as follows:

- **Government Initiatives and Incentives**: The Indian government has implemented various initiatives and incentives to promote electric mobility. These include subsidies, tax benefits, and grants for electric two-wheelers, making them more affordable and attractive to consumers. Programs like the Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme provide financial assistance and support to electric vehicle manufacturers.

- **Environmental Concerns:** Increasing environmental awareness and concerns about air pollution and climate change are driving the demand for electric two-wheelers. The shift towards cleaner and greener modes of transportation is seen to reduce carbon emissions and improve air quality.

- **Rising Fuel Prices:** The continuous rise in fuel prices, particularly for petrol, has led consumers to seek alternatives that offer lower operating costs. Electric two-wheelers, with their lower energy costs, provide a cost-effective transportation solution, especially for daily commuting.

- **Cost savings:** In addition to fuel savings, E2W also requires lower maintenance and operating costs compared to ICE motorcycles, making them an attractive option for cost-conscious consumers.

- **Total Cost of Ownership:** Electric two-wheelers have lower operational and maintenance costs compared to conventional petrol-powered vehicles. Reduced fuel expenses, lower maintenance requirements, and fewer moving parts contribute to the cost advantage, making electric two-wheelers more appealing to cost-conscious consumers.

- **Urbanization and Congestion:** Rapid urbanization and the increasing congestion in Indian cities have created a need for efficient and convenient modes of transportation. Electric two-wheelers, with their maneuverability and smaller footprint, offer a practical solution for navigating through crowded urban areas.

Segment-specific drivers:

- **Electric Scooters:** Electric scooters have gained popularity in India due to their suitability for urban commuting. The ease of use, light weight, relatively lower cost, and availability of affordable models have been key drivers for the electric scooter segment. Additionally, the improving availability of charging infrastructure at various locations, including public places and residential complexes, supports the growth of electric scooter adoption.

- **Electric Motorcycles:** The electric motorcycle segment is driven by factors such as performance, range, and the desire for a sportier riding experience. With advancements in battery technology and improvements in performance parameters, electric motorcycles are slowly gaining traction among enthusiasts looking for electric alternatives to conventional motorcycles.

- **Last-Mile Delivery and Commercial Applications:** Electric two-wheelers are being increasingly adopted for last-mile delivery services by e-commerce companies, food delivery platforms, and logistics providers. The need for cost-effective and eco-friendly delivery solutions, along with government incentives targeting commercial adoption, is driving the growth of electric two-wheelers in this segment.

The demand and growth drivers for the electric two-wheeler industry in India are a combination of environmental concerns, government initiatives, rising fuel prices, urbanization, and cost advantages. These drivers, coupled with segment-specific factors, contribute to the positive outlook for electric two-wheelers in the country.

Government policy as a tailwind

Government policy in India has been a significant tailwind for the domestic 2W industry, with various initiatives aimed at promoting the growth and development of the sector. Some of the key policy measures that have benefited the industry include:

- **FAME India Scheme:** The Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India (FAME India) scheme was launched by the government to promote the adoption of electric vehicles, including electric 2W by providing subsidies and incentives to manufacturers and consumers. The first phase of FAME India Scheme started in 2015 and was functional till 31st March 2019. The Government notified Phase-II of FAME India Scheme initially for a period of five years commencing from 1st April, 2019 with a total budgetary support of Rs. 10,000 crore. Under FAME-India Scheme phase-II, incentives are provided to buyers of electric vehicles in the form of an upfront reduction in the purchase price of electric vehicles.

- **Make in India:** The Make in India initiative aims to promote domestic manufacturing and production, with a focus on enhancing the competitiveness of the manufacturing sector. This has helped to create a more conducive environment for the domestic 2W industry, encouraging local production and job creation. Government of India on 15th Sep 2021 approved the PLI Scheme for Automotive Sector with a budgetary outlay of Rs. 259.38 billion to support domestic manufacturing of vehicles. Electric vehicles are also covered under this PLI scheme. The Government on 12th May, 2021 also approved PLI Scheme for manufacturing of Advanced Chemistry Cell (ACC) with a budgetary outlay of Rs. 181.0 billion. The scheme envisages establishing a competitive ACC battery manufacturing set up in the country for 50 GWh.

- **GST reduction:** The government has reduced the Goods and Services Tax (GST) on electric vehicles from 12% to 5%, making them more affordable and attractive to consumers.

- **Infrastructure development:** The government has taken steps to develop the necessary infrastructure for electric vehicles, including setting up charging stations and offering incentives for their installation. This has helped to address one of the key concerns of consumers - the availability of charging infrastructure.

- **State-level policies:** Several states in India have also launched their own policies and initiatives to promote the adoption of electric vehicles, including electric 2Ws. This has helped to create a more supportive ecosystem for industry at the local level.

Acuité believes that the government policies have played a significant role in driving the growth of the domestic 2W industry in India, providing a supportive environment for manufacturers and consumers alike.

Impact of Production-Linked-Incentive (PLI), and outlook on cost economics from PLI for OEM vendors and manufacturers

Under the Production-Linked-Incentive (PLI) scheme, launched by the Indian government, manufacturers are eligible for incentives based on their incremental sales of electric 2W which are expected to increase over time as the market for these vehicles grows. This will help to reduce the cost of production for manufacturers and make electric 2W more affordable for consumers, driving demand and growth in the sector.

In addition, the PLI scheme is expected to encourage OEM vendors to invest in domestic manufacturing capacity, as the incentives are tied to production targets. This will help to create a more robust domestic supply chain for the industry, reducing dependency on imports and increasing the overall competitiveness of the sector.

Acuité expects that the PLI scheme will have a positive impact on the cost economics of OEM vendors and manufacturers in the domestic 2W industry, making electric 2W more affordable and driving growth in the sector. The scheme is also expected to encourage investment in domestic manufacturing capacity, creating a more competitive and self-reliant ecosystem for the industry.

Impact of in-house R&D, indigenization, and technology development

- **In-house R&D** helps manufacturers to develop new technologies, improve existing products, and stay competitive in the market. It also helps to reduce dependency on imports, as manufacturers can develop and produce their own components in-house. This can result in cost savings, increased efficiency, and improved quality control.

- **Indigenization** refers to the process of using locally produced components and materials in the manufacturing process. This can help to reduce the cost of production, as manufacturers can source materials and components locally at a lower cost. It also helps to support local suppliers and create jobs in the domestic manufacturing ecosystem.

- **Technology development**, particularly in electric vehicles, is a key driver of growth in the domestic 2W industry. Manufacturers that invest in developing new and innovative technologies for electric vehicles are likely to be more competitive and successful in the market. In addition, the development of advanced technologies can help to improve the performance, efficiency, and reliability of electric vehicles, making them more attractive to consumers.

Acuité believes that in-house R&D, indigenization, and technology development are all important drivers of growth and competitiveness in the domestic 2W industry in India. These factors can help to reduce costs, improve efficiency, and support the development of innovative new products, driving growth and profitability in the industry.

Typical E2W customer mindset, their needs and wants.

Understanding the customer mindset, needs, and wants of electric two-wheeler buyers in India is crucial for manufacturers and marketers to tailor their products, marketing strategies, and customer support services to meet the expectations of Indian electric two-wheeler buyers. While individual preferences may vary, here are some typical factors that influence the customer mindset, needs, and wants in India:

- **Cost Savings:** Cost-consciousness is a significant consideration for Indian electric two-wheeler buyers. They seek vehicles that offer long-term cost savings, including lower operating costs compared to petrol-powered two-wheelers. Electric two-wheelers are seen to reduce fuel expenses and minimize maintenance costs, which resonates with budget-conscious consumers.

- **Environmentally Friendly:** Increasing environmental consciousness and the desire to contribute to sustainable practices drive the demand for electric two-wheelers in India. Customers appreciate the lower carbon emissions and reduced air pollution associated with electric vehicles. The environmental benefits align with their values and concern for the well-being of the planet.

- **Commuting Efficiency:** Indian customers often use two-wheelers for daily commuting in congested urban areas. Electric two-wheelers offer the advantage of manoeuvrability and ease of navigating through traffic, enabling efficient and convenient commuting. Buyers value the ability to reach their destinations quickly, especially during peak hours.

- **Range and Battery Performance:** Electric two-wheeler buyers in India prioritize the range and battery performance of the vehicle. They look for models that offer adequate range on a single charge to meet their daily commuting needs without worrying about running out of battery power. Factors such as charging time and the availability of charging infrastructure also influence their decision-making.

- **Reliability and Quality:** Indian customers expect reliability and durability in their vehicles. They seek electric two-wheelers that offer robust build quality and components, ensuring long-term performance and minimal maintenance issues. Buyers are more likely to choose brands and models that have a reputation for reliability and after-sales service.

- **Style and Design:** Aesthetics play a role in the decision-making process of electric two-wheeler buyers. Customers appreciate stylish designs and visually appealing features that enhance the overall appeal of the vehicle. Manufacturers that offer a blend of functionality and attractive design elements have a competitive advantage in the market.

- **Charging Infrastructure:** Customers consider the availability and accessibility of charging infrastructure when purchasing electric two-wheelers. They value the presence of charging stations in their vicinity, including public charging points and residential complexes, for convenient recharging.

Key constraints for adoption of E2W

The adoption of E2W is currently constrained by several factors which includes the following:

- **High initial cost:** Electric two-wheelers generally have a higher upfront cost compared to conventional petrol-powered counterparts. This price differential can be a deterrent for price-sensitive consumers, as the initial investment may pose a financial barrier to adoption.

- **Limited charging infrastructure:** The availability of a robust charging infrastructure is crucial for the adoption of electric two-wheelers. In India, the charging infrastructure is still in its nascent stage and lacks widespread coverage. The limited availability of charging stations and the need for convenient and accessible charging options remain challenges for potential buyers.

- **Battery technology and performance:** The performance and longevity of electric vehicle batteries are key considerations for consumers. Concerns about battery life, degradation over time, and the ability to handle varying weather conditions may affect consumer confidence in the reliability and overall performance of electric two-wheelers.

- **Consumer awareness and education:** Despite increasing awareness, many potential buyers may still have limited knowledge about electric two-wheelers, their benefits, and the overall electric vehicle ecosystem. Lack of awareness and misconceptions can create hesitation and uncertainty among consumers when considering the adoption of electric two-wheelers.

- **Resale value and after-sales service:** The resale value of electric two-wheelers and the availability of

reliable after-sales service networks can influence customer decisions. A well-developed resale market and a robust after-sales service network provide assurance to buyers, addressing concerns about long-term ownership and support.

- **Policy and regulatory framework:** The policy and regulatory environment play a significant role in shaping the electric vehicle market. Ongoing changes or ambiguity in regulations, including subsidy schemes, taxation policies, and charging infrastructure guidelines, can create uncertainty and affect consumer confidence and adoption.

Addressing these constraints requires concerted efforts from manufacturers, policymakers, and other stakeholders in the electric two-wheeler ecosystem. Measures such as government incentives, financial support, charging infrastructure development, awareness campaigns, technology advancements, and collaborations among industry players can help overcome these challenges and promote the wider adoption of electric two-wheelers.

Growth levers, including adoption of alternative battery technologies:

The battery is an integral part of E2W. The battery's performance deteriorates gradually over its lifetime. However, if it is well maintained, life can be extended to last longer. The life of a battery is calculated based on the energy throughput. For simplicity and ease of understanding it can also be described in charge cycles i.e., how many times the battery can be charged from 0% to 100%. The charge cycle varies from battery to battery. There are certain factors like temperature, type of battery, and charging process that impact the life of the battery. Furthermore, a battery with more watt-hours of capacity can run for a longer duration. For example, if a battery capacity is mentioned as 1.5 KWH. It means that in one hour of discharge, the battery can deliver 1500 watts of power.

The types of batteries, which are used in E2W are the following:

- **Lead-Acid Batteries** are inexpensive and easy to produce and recycle. They have 100-300 charge cycles.

- **Nickel Cadmium Batteries and Nickel -Metal Hydride Batteries** are light and offer high storage density at a low price. These batteries can last anywhere between 300-500 charge cycles.

- **Lithium-ion Batteries** have the highest usage in E2W now-a-days. They are lightweight and can last over a thousand charge cycles. Moreover, Lithium-ion batteries have a Battery Management System (BMS) inside their case: a sophisticated electronic device that monitors key parameters like temperature, current and voltage of the cells in the battery pack. A BMS is responsible for maintaining the performance and efficiency of the battery. It is also responsible for the safety, performance, longevity, and efficient charging of lithium-ion batteries. However, the lithium-ion batteries have limitations in terms of energy density, charging time, and lifespan. As a result, several alternative battery technologies are being developed that offer better performance, such as solid-state batteries, metal-air batteries, and sodium-ion batteries.

- **Solid-state batteries**, for instance, offer higher energy density, faster charging time, and improved safety compared to lithium-ion batteries. **Metal-air batteries**, such as zinc-air and aluminum-air batteries, have the potential to offer even higher energy density and longer range. **Sodium-ion batteries**, which use sodium instead of lithium, are being developed as a cheaper and more sustainable alternative.

Acuité expects that the adoption of these alternative battery technologies can help overcome some of the key constraints for the adoption of E2W, such as limited range, long charging time, and high cost. It can also help improve the overall cost economics of E2W, making them more competitive with internal combustion engine (ICE) motorcycles. Additionally, the development and adoption of these technologies can drive innovation and differentiation among E2W manufacturers, leading to greater market growth and customer adoption.

Impact of new government regulations on manufacturers and OEM vendors

There have been several new government regulations that have had a significant impact on the manufacturing and supply chain of OEMs in India, requiring significant investments in technology, research and development, and the adoption of new manufacturing processes. However, they have also created new opportunities for growth and innovation in the industry, particularly in the EV segment. The key regulations to be mentioned in this context

are:

- **BS6 Emission Norms:** The Indian government has mandated the adoption of BS6 emission norms for all vehicles from April 2020, which has significantly impacted the manufacturing and supply chain of OEMs. The new norms require significant changes to the engine technology, including upgrades to fuel injection systems, exhaust systems, and catalytic converters. This has led to higher investment in ICE vehicles and consequently, higher prices.

- **Safety Norms:** The government has also mandated the adoption of new safety norms for vehicles, including the mandatory use of anti-lock braking systems (ABS), airbags, and pedestrian protection features. These regulations have increased the cost of manufacturing and affected the pricing of vehicles.

- **FAME II Scheme:** The government has launched the FAME II scheme to promote the adoption of electric vehicles in India, including electric two-wheelers. Under the scheme, the government provides subsidies to manufacturers and customers to promote the adoption of EVs. This scheme has encouraged many manufacturers to invest in the development of electric vehicles and has driven growth in the EV sector.

- **Import Regulations:** The government has also implemented several regulations to reduce the import of foreign vehicles and promote local manufacturing. This includes the increase in customs duty on imported vehicles, and the implementation of stricter regulations for import of components and parts.

Impact and need of indigenization of the product

Indigenization of E2W components (battery in particular) and technology can lead to cost savings, boost the domestic manufacturing sector, and improve the quality of the products, as well as help comply with government regulations. The illustrations of the needs of indigenization:

- **Cost Reduction:** Indigenization of components can lead to cost savings for manufacturers, as they no longer must rely on imported components, which can be expensive due to high import duties.

- **Strengthening Local Supply Chain:** Indigenization can help in building a strong local supply chain and reduce dependence on foreign suppliers.

- **Boost to Local Manufacturing:** Indigenization can boost the domestic manufacturing sector and create jobs.

- **Improved Quality:** Indigenization can lead to better quality products, as manufacturers have more control over the manufacturing process.

- **Regulatory Compliance:** Indigenization can help manufacturers comply with government regulations that mandate local sourcing of components.

Status, and outlook for central level subsidies for electric 2Ws

The outlook for central level subsidies for E2Ws in India is positive. The government is committed to promoting the adoption of EVs and has set a target of achieving 30% share of electric mobility by 2030. To achieve this target, the Government of India has announced various policy measures and incentives. These incentives are designed to encourage the production and purchase of E2Ws, and to reduce the overall cost of ownership for consumers.

The central level subsidies to be mentioned are:

- **FAME II Scheme:** The Faster Adoption and Manufacturing of Electric Vehicles (FAME) scheme is a flagship program of the central government to promote EVs in India. FAME II scheme was launched in April 2019 with a total outlay of Rs. 10,000 Cr for a period of three years which was further extended for another two years up to March 2024. Under this scheme, subsidies are provided to E2W manufacturers and buyers to reduce the overall cost of ownership.

- **Incentives for Manufacturers:** The government provides incentives to E2W manufacturers under the FAME II scheme, such as a subsidy of up to Rs. 15,000 per kWh of battery capacity, subject to a maximum

of Rs. 30,000 per vehicle. This is aimed at reducing the cost of production for manufacturers and to encourage them to produce more E2Ws.

- **Incentives for Consumers:** Earlier, the government provided incentives to consumers for purchasing E2Ws. Under the FAME II scheme, consumers can avail themselves of a subsidy of up to Rs. 15,000 per kWh of battery capacity, subject to a maximum of Rs. 30,000 per vehicle. However, from June,2023 the government has slashed the subsidies for E2Ws to Rs.10,000 per kWh of battery capacity from Rs.15,000 per kWh of battery capacity. Further, the maximum subsidy has been reduced to 15 per cent from 40 per cent of the ex-factory pricing. In addition, certain states also provide additional incentives for the purchase of EVs, such as exemption from road tax and registration fees.

- **Other measures:** Apart from subsidies, the government has also announced other measures to promote the adoption of EVs, such as setting up of charging infrastructure, promoting local manufacturing of EV components, and providing exemptions for customs duty and GST for EV components.

State level subsidies

Several Indian states offer their own incentives and subsidies for the purchase and use of electric 2W(E2Ws) in addition to the central government's FAME II scheme. These incentives vary from state to state and include the following:

- **Exemption from road tax and registration fees:** Some states such as Maharashtra, Telangana, and Delhi provide exemption from road tax and registration fees for electric vehicles, including E2Ws.

- **Purchase incentives:** Some states such as Delhi and Tamil Nadu offer additional purchase incentives on top of the central government's FAME II scheme, such as a subsidy of up to Rs. 5,000 per kWh of battery capacity for E2Ws.

- **Charging infrastructure subsidies:** Some states such as Karnataka and Maharashtra provide subsidies for setting up public charging infrastructure for EVs, including E2Ws.

- **Low-interest loans:** Some states such as Kerala and Tamil Nadu provide low-interest loans for the purchase of E2Ws.

- **Other incentives:** Some states such as Gujarat and Uttar Pradesh offer other incentives for the promotion of EVs, such as exemption from toll fees and priority parking for EVs.

Acuité expects that the state-level subsidies, and incentives for E2Ws are likely to continue and may increase further in the future as the state governments also have targets to promote the adoption of EVs.

Future Outlook – Electric 2Ws

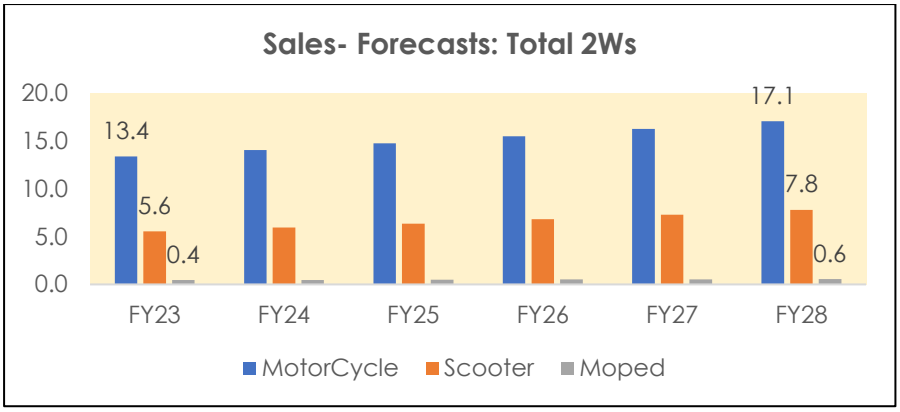
Growth prospects over the medium term

Demand Forecast

- The demand for motorcycles in India is expected to continue to grow in the coming years, although the rate of growth may slow down. Acuité believes that the motorcycle market in India is expected to grow at a moderate CAGR of 5.0% during the period 2023-2028.

- The demand for scooters in India is expected to continue to grow in the coming years, partly driven by higher demand for EV models. Acuité believes that the scooter market in India is expected to grow at a CAGR of 7.0% during the period 2023-2028.

- The demand for mopeds in India is expected to remain stable in the coming years, with a slight decline in sales due to the increasing popularity of motorcycles and scooters.



Acuité believes that the motorcycle segment continues to dominate the 2W industry in India, accounting for 65%-70% per cent of the total sales. Motorcycles have outperformed scooters in recent years due to higher demand from rural markets and tier-II and tier-III cities, where motorcycles are more suitable for rough roads and long distances and the availability of attractive models. Further, motorcycles usually offer 25-30 per cent higher fuel efficiency compared to scooters and therefore in the event of a continuous hike in petrol prices there is some shift in demand patterns. The scooter segment has been growing steadily over the years, driven by increasing urbanization and rising demand from female consumers. The moped segment, on the contrary, has been declining over the years, with consumers preferring motorcycles and scooters for their increased convenience and features.

Over the last ten years, India has emerged as one of the world's most favored places for producing high-quality automotive components and automobiles of all types, closing the gap with numerous established countries in the process. Due to the relative cost and ease of two-wheelers, they have historically led in terms of growth and penetration among the major vehicle categories in India.

A high degree of market penetration for electric-powered two-wheelers should be achieved as EVs represent the future of the mobility sector. Collectively, such government interventions have the potential to trigger a paradigm shift in the ecosystem that would increase the use of renewable energy in the domestic industry and increase consumer adoption of new and novel technology.

Opportunities for EV Players:

Economical ownership:

Any product or service must be affordable to be successful in India. The affordability of 2W among Indian households has been constrained by rising Total Cost of Ownership (TCO) and rising petrol prices, which have increased by 60% over the last five years. This is crucial for Indian users while deciding between EV and ICE 2W. The E2W makes economic sense for the Indian 2W users, as the total cost of ownership (TCO) is 20- 70% lower than an ICE equivalent 2W. Thus, the spurring demand for electric two vehicles is due to their greater efficiency and lower cost of electricity for charging it as compared to petrol or diesel.

Accelerated deliveries:

Over the years, there has been a significant increase in last-mile deliveries, and the pandemic has pushed this dependence even further on doorstep delivery. To meet this demand, last-mile delivery companies are increasingly turning to E2Ws, which offer a compelling economic proposition. Furthermore, E2Ws have a lot of potential for making the future more sustainable. As a result, these players are increasing the adoption of E2Ws.

Suitable for big cities:

For many decades, two-wheelers (2Ws) have been the preferred means of transportation for cost-conscious Indians. This is due to their ease of manoeuvring on packed roads, reduced carbon emissions, and higher fuel efficiency. As a result, they are a cost-effective alternative to public transportation and 3 or 4-wheelers.

India's Green and Sustainable Goals

At the COP26 Summit in 2021, Prime Minister Mr. Narendra Modi declared that India would cut its anticipated carbon emissions by one billion tonnes until 2030. To achieve this goal, India is moving towards the electric revolution by making electric cars the preferred form of transportation for most commuters.

Threats for EV Players:

Range anxiety: One of the most sticking factors. The EV customers are often worried about the vehicle's capability to reach the destination before the battery dies out and the absence of charging infrastructure. The charging infrastructure is weak in rural or sparsely populated areas.

Consumer Safety: While the technology is still relatively new and is being accepted more day by day, The repair and maintenance network is still very minuscule compared to ICE vehicles. The lack of people skilled in EV maintenance is one of the major causes of this challenge.

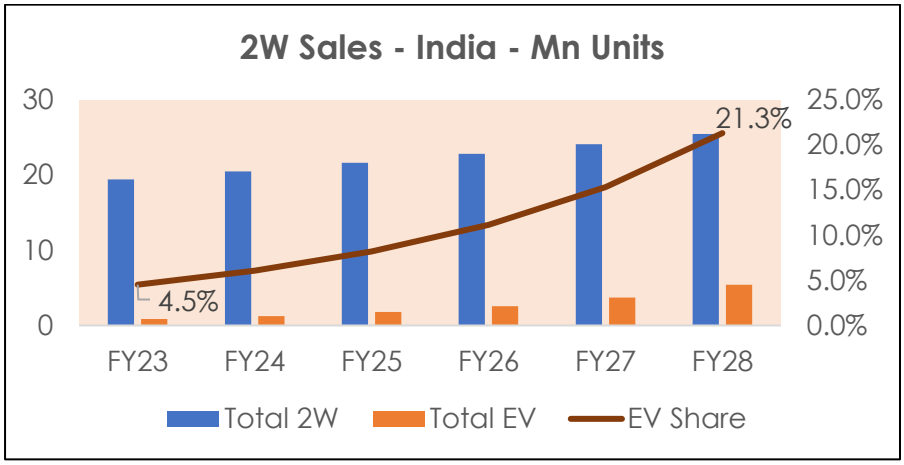
High initial cost: Electric vehicles are initially very expensive compared to ICE cars. For example, the Tata Nexon price starts from ₹7.19 lakh, while the Tata Nexon EV price starts from ₹13.99 lakh.

Scarce battery technology: The number of OEMs manufacturing batteries from raw materials in India is very tiny. Coupled with the fact that the country lacks certain minerals (cobalt and lithium) to produce a battery, it negatively impacts the country's ambition to become an EV hub. The country currently relies heavily on Chinese and Korean manufacturers.

Lack of products: The number of choices a consumer has while purchasing an EV is significantly less when compared to buying an ICE. For Example, there are several choices for a superbike (ICE) but very few (if not none) EV that are mass manufactured.

EV Market share forecasts over the medium term

While the Government has an ambitious target of achieving a share of 30% in EV sales by 2030, Acuité Research projects that the share will increase from 4.5% in FY23 to 21.3% in FY28.



Sales of EVs is on a growth path, led by the two-wheeler segment. Penetration of electric two-wheelers in the overall two-wheeler sales increased to about 5% in in FY23, though the pace of adoption has slowed over the past few months owing to the reduction in subsidy. To offset the vehicle cost hike owing to reduction in subsidy, electric two-wheeler OEMs recently introduced de-spec versions of their existing electric scooters. This is likely to aid adoption over a medium term. It added that volumes need to pick up because that is when the vendor negotiation or the vendor discounts will come in, which will eventually help in reaching economies of scale and thus profitability.

Electric Vehicles – Three Wheelers (3W)

<u>Industry Overview – Overall 3W market in India</u>

Size of the 3W market by value and volume, growth outlook:

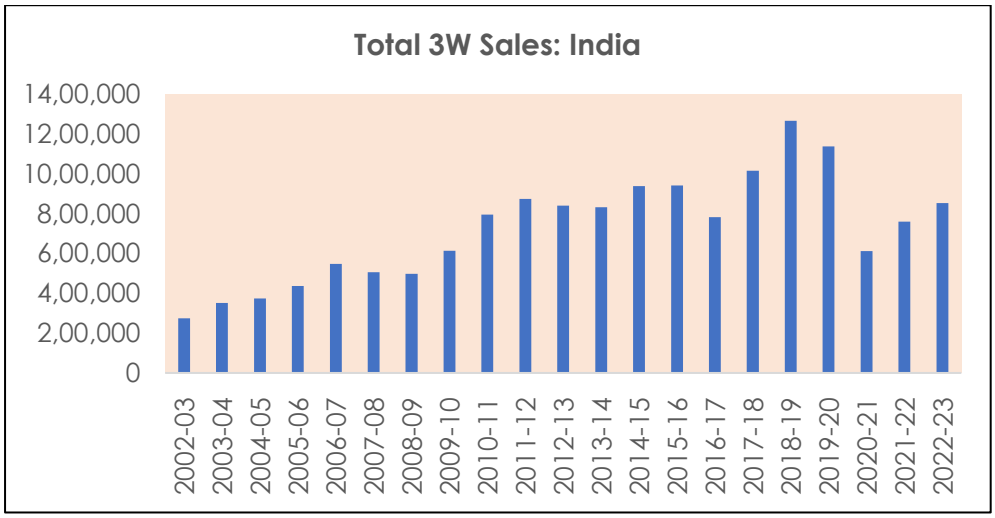
In the late 1950s, Indian government gave a clearance for an indigenous production of a three wheeler by Bajaj Auto in a joint venture with Piaggio of Italy. After nearly 65 years, three-wheelers (3W) not only populate Indian roads but are seeing renewed interest with the introduction of battery operated vehicles.

The market for 3Ws had seen a strong double digit growth of 11.8% (CAGR) in the decade FY03-13 but there has been a slowdown in demand in the decade thereafter i.e. FY13-23 with annualized growth only at 0.15%. One

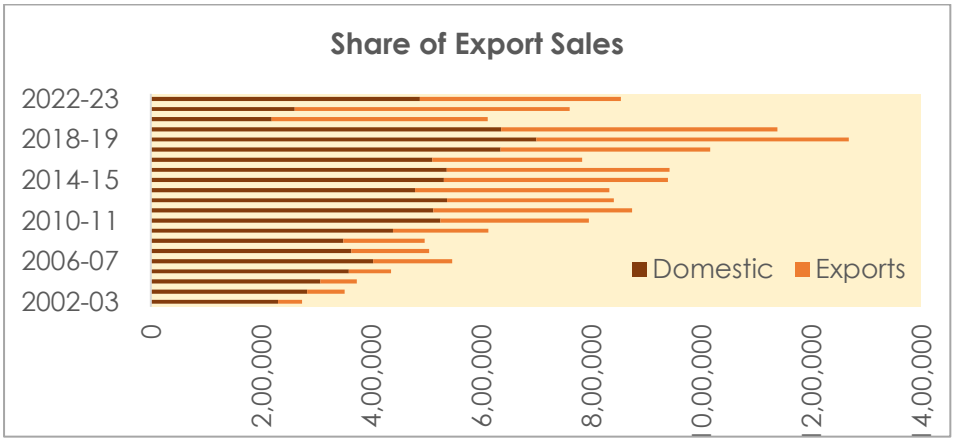
of the key reasons for the slowdown has been the Covid pandemic that had an impact on the market for almost 3 years. Further, a gradual saturation of demand in the urban areas and a relatively weak demand scenario in the rural areas have also been factors behind the slower sales. Nevertheless, the 3W volumes have witnessed a strong recovery of 39.4% in the last 2 years from the pandemic lows seen in FY21. In the current fiscal to date, the volume growth has remained robust at 19.1% for the period Apr-Nov'23 and the annual sales are set to be near 1 million for the whole year.

Three-wheelers (3Ws) play an important role in last-mile connectivity in the urban centers. Due to their superior mobility and affordable operating costs, 3Ws are preferred for last-mile connectivity by numerous industries, including e-commerce, pharmaceutical, textile, retail, poultry, and dairy. It has become evident that three-wheelers must be electrified in order to offer a clean and environmentally friendly last mile.

The size of the Indian 3W market is at Rs 273.4 bn (USD 3.3 bn) in FY23 and is expected to grow at a CAGR of 20.9% during the forecast period from 2023 to 2030.

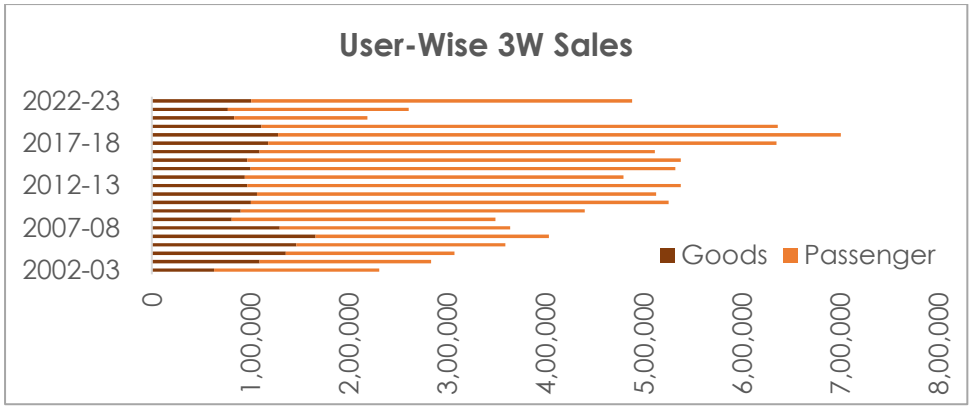


Like in 2Ws, exports have been a significant contributor to the overall 3W sales in India. Exports contributed to 15.8% of total volumes in FY03 but the share of exports has increased steadily over the years and it increased to 36.0% in FY13. As the domestic market slowed down, the share of exports increased further and it reached a peak of 65.7% in FY22. However, the export volumes dropped by 26.9% in FY23 while the domestic sales effected a strong recovery.



User Segments:

Three-Wheelers can be used for either passenger transportation or small cargo deliveries.



- **Passenger Carriers**

Three wheeler passenger carriers account for around 51% of the global three wheeler market. They provide benefits including dependability, convenience, and safety. The growth of this market is ascribed to a rise in the use of three-wheelers as a regular form of public transit. In developing nations with sizable middle-class populations, public transportation is preferred over private transportation, as it is more affordable. In India, passenger carriers have continued to be the dominant segment with a market share between 70%-80% over the last 2 decades. The introduction of electric three-wheelers have made local passenger commute more sustainable and affordable in the context of increased diesel and CNG prices.

- **Cargo Carriers**

3Ws are also deployed for the transportation of goods over short distances from the distributer to the retailer or directly to the consumer homes through the e-commerce platforms. However, their deployment is limited to an extent given their limited load carrying capacity, possibly explaining the modest annualized sales growth of 2.3% as compared to passenger 3Ws which grew by 4.3% CAGR over the last 20 years.

Such small cargo carriers are nevertheless, increasingly visible in the cities due to the penetration of e-commerce. It is therefore, expected that the growth prospects in this segment will increase going forward particularly with the introduction of battery operated vehicles.

Overview – 3W EV Market India

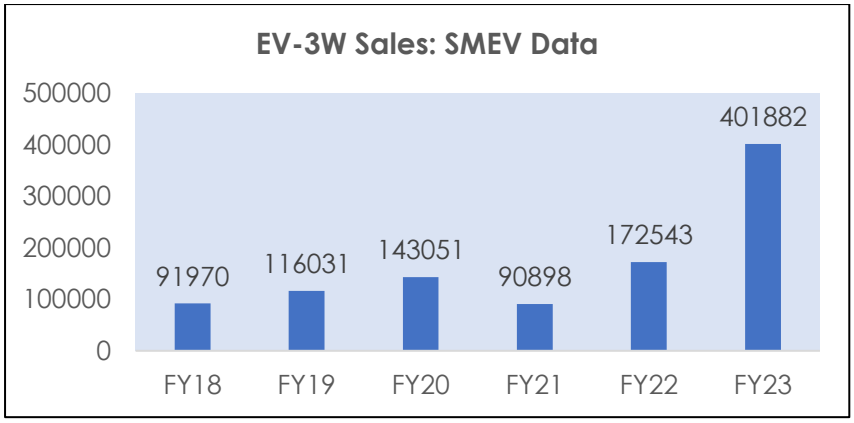
Size of the Market and Various Segments

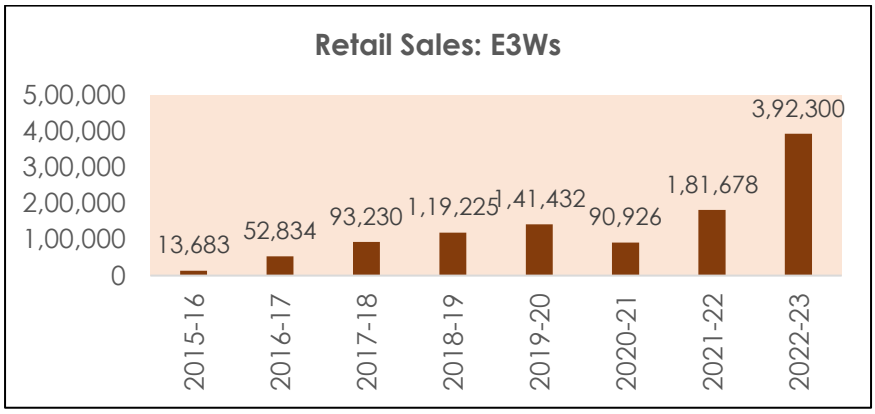
The market for electric three-wheelers in India was estimated to be ~ Rs 61.1 billion (US$ 750 million) and has grown further to Rs 128.6 billion (USD 1.57 billion). The rising costs of a range of transport fuels, like diesel, gasoline, LPG, CNG etc along with the increased sensitivity of their environmental impact have led to an increasing trend towards electric three wheelers in the country. In addition, the market growth is supported by an increasing number of initiatives and awareness programs undertaken by the Indian government in order to reduce GHG emissions from fossil fuel driven vehicles.

In India, the 3W segment is experiencing a structural shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs). This shift is also evident in the notable rise in e-rickshaws across various parts of the country. In India, the market share of the overall electric vehicles (EVs) is significantly dominated by E3Ws. Specifically, the E3W passenger segment holds 59.4% of the cumulative market share until FY2022, while the E3W cargo segment contributes an additional 4 percent.

Historical trend and growth outlook for 3W EVs

Historical Sales: The sales of electric two-wheelers in India have been on the rise. Electric 3Ws have recorded 4,01,882 units in FY23 and till December 2023, the sales are estimated to stand at around 4,60,000 units. Source: (Society of Manufacturers of Electrical Vehicle).





The annualized growth in the domestic 3W EV segment over the last 5 years, based on retail registrations stands at 33.3%. Exports of 3W EVs are not yet significant with 13,930 vehicles exported in FY23.

User Segments:

Electric three-wheelers can be used for either passenger transportation or small cargo deliveries.

Passenger Carriers

3Ws that carry passengers for short distances of 0-10 kms provide benefits including cost affordability, convenience, and safety. The market for electric three-wheeler passenger carriers is expanding as these vehicles become more affordable and less polluting.

Cargo Carriers

There are two categories of electric three-wheelers used in cargo applications, which are defined as follows:

- L5N - A three-wheeled motor vehicle with a maximum speed exceeding 25 kmph and motor power exceeding 0.25 kW. Gross Vehicle Weight (GVW) is limited to 1500 kg (excluding the weight of traction batteries).

- L3 or e-carts - Speed less than 25km/h and motor power less than 2 kW. Such vehicles are constructed or adapted for carrying goods by providing a separate load body or compartment with the maximum weight 310 kg in addition to driver.

Growth Outlook:

The growth outlook for electric three-wheelers in India is strongly positive. The Indian government has set ambitious targets for electric vehicle adoption, aiming for a significant share of electric vehicles on the road by 2030. The growth is expected to be supported by ongoing government incentives, expanding charging infrastructure, reducing battery costs, and the competitive operating costs of electric vehicles.

Demand and Supply Assessment

<u>Demand Assessment</u>

Increased Environmental Concerns: Rising pollution levels and environmental consciousness have driven the demand for electric three-wheelers as a cleaner and greener alternative to conventional petrol-powered vehicles.

Government Initiatives: The Indian government has introduced various schemes, incentives, and subsidies to promote electric vehicle adoption. These measures, such as the Faster Adoption and Manufacturing of Electric Vehicles (FAME) program, aim to drive domestic demand. GST rate on EVs have been kept at a low level of 5.0%.

Last-Mile Connectivity Demand: With the growing need for efficient last-mile connectivity in urban and peri-urban areas, 3W EVs can serve as convenient and cost-effective solutions, especially for short-distance commute.

Supply Assessment

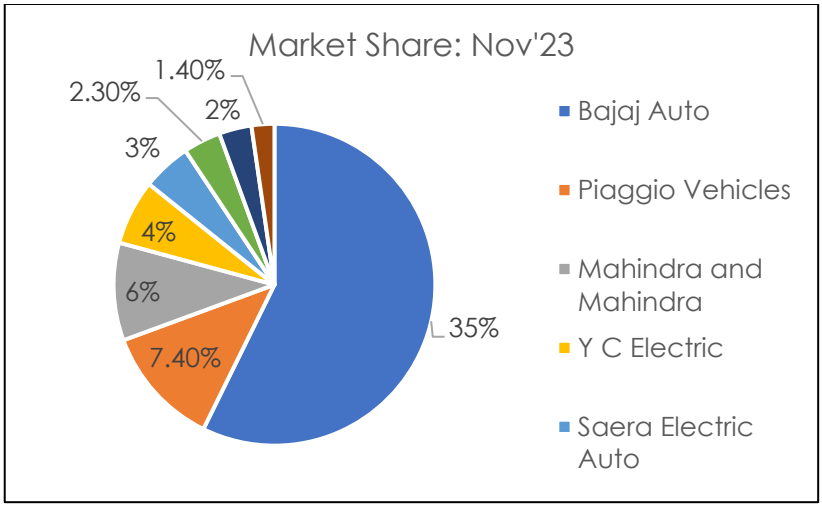
Manufacturer Focus: Several Indian and International manufacturers have entered the electric three-wheeler market in India. Companies like Mahindra and Mahindra, Piaggio, Saera, Atul and others are manufacturing 3W EV's.

Technological Advancements: Manufacturers are investing in research and development to improve battery technology, range, and performance of electric three-wheelers.

Government Support: The Indian government has provided support to domestic manufacturers through incentives, subsidies, and policies aimed at boosting domestic production of electric vehicles.

Market share of major 3W EV players

The chart below shows the market share of the top 8 largest players in the 3W EV Market in the month of Nov 2023. Bajaj Auto has the highest market share of 35% followed by Piaggio Vehicles with market share of 7.40%.



Manufacturing capabilities of the players

India is the world's second largest 3W market. Over the last 3 years, the EV two-wheeler and three-wheeler segments have witnessed rapid growth as the country paves way for greater adoption of cleaner, cost efficient, and greener electric vehicles. Atul Auto, Ather Energy, Hero Electric, Lohia Auto, Mahindra Electric, Okinawa, and Ola Electric are among the leading electric vehicle manufacturers, with other new entrants like EeVe, Matter, and PURE EV.

- **Mahindra Electric Ltd.**

Mahindra is India's largest vehicle manufacturer. The company has now made its debut in the electric vehicle market. Mahindra is India's leading manufacturer of electric three-wheelers. Mahindra has a popular identity in the electric 3-wheeler segment. Through the new launch of electric 3-wheelers, Mahindra Alpha Mini, Mahindra Treo Zor and electric Mahindra Treo, Mahindra Electric extended its stand in the electric three-wheeler segment.

- **Piaggio Vehicles Pvt. Ltd.**

The advent of the Piaggio Ape' electric three-wheeler line in the three-wheeler transport and passenger vehicle category has increased demand for Piaggio. With the development of the technologies, Piaggio introduced electric 3-wheelers in India. Following the launch of Piaggio Ape' electric three-wheeler range in the 3-wheeler cargo and passenger vehicle segment, demand for Piaggio is increasing. The range includes India's most powerful electric 3-wheeler cargo, named Ape E-city and Ape E-Xtra. Hence, Electric 3-wheeler company stands at second position in the list of top manufacturers of electric vehicles in India

- **Euler Motors**

The world is turning electric, and Euler Motors provides unique electric 3-wheelers in India. Saurav Kumar founded Euler Motors, a Delhi-based firm, in 2018. Euler Motors is another well-known electric 3-wheeler maker in India. HI load EV, the company's first electric 3-wheeler in the transport category, was just unveiled. According to the company, it is the most powerful electric cargo three-wheeler in the country. As a result, the company is ranked third among the top electric vehicle companies in India.

- **Atul Auto**

Atul Auto Limited is one of India's top makers of electric vehicles. The company has a large selection of three-wheelers in the passenger and cargo vehicle markets. In India, Atul Auto is one of the top five three-wheeler brands in the globe. The first electric three-wheeler company appeared in the 1970s and began operations in 1986. Almost 1 million Atul vehicles are now on the road around the world. As a result, it is one of the youngest and fastest-growing companies.

- **Kinetic Green**

Kinetic Green is an Indian automobile company started in 1972 by HK Firodia. In 1975, the brand introduced the first indigenous Luna Moped. Kinetic Green is now quite prominent in the Indian vehicle market and is one of the most popular auto brands. Furthermore, Kinetic offers a large choice of electric 3-wheelers, clearly demonstrating its goal of "Think Electric, Think Kinetic."

Key growth drivers for the 3W EVs

- **Government Incentives and Subsidies:** The Indian government has been actively promoting electric vehicles (EVs) through various incentives, subsidies, and policy initiatives. This includes subsidies on EV purchases, reduced GST rates, and financial incentives for manufacturers and buyers.
- **Environmental Awareness:** With increasing concerns about air pollution and climate change, there's a growing emphasis on environmentally friendly transportation solutions. The shift towards electric three-wheelers aligns with the broader goal of reducing carbon emissions and promoting sustainable mobility.
- **Rising Fuel Costs:** The volatility in fuel prices and the continuous upward trend make EVs more attractive, especially for commercial applications like auto-rickshaws. Electric three-wheelers offer a cost-effective alternative with lower operating expenses over time.
- **Charging Infrastructure Development:** As the charging infrastructure improves, the range anxiety associated with electric vehicles diminishes. The government and private players are investing in establishing a robust charging network, making it more convenient for 3W EV users.
- **Last-Mile Connectivity Needs:** Three-wheelers play a crucial role in providing last-mile connectivity, especially in congested urban areas. The adoption of electric three-wheelers addresses both transportation needs and environmental concerns in densely populated regions.
- **Sustainable Transportation Initiatives:** Cities in India are increasingly focusing on sustainable and smart transportation solutions. Electric three-wheelers fit into these initiatives by offering a cleaner and quieter mode of transport that aligns with the vision of smart and green urban mobility.
- **Technological Advancements:** Continuous advancements in EV technology, including improvements in battery efficiency and affordability, contribute to making electric three-wheelers more viable and attractive to a wider consumer base.

Key constraints for adoption of 3W EV

- **High Initial Cost:** The upfront cost of electric three-wheelers is often higher compared to their traditional counterparts, making it a barrier for many potential buyers, especially small-scale operators.

- **Limited Range and Charging Infrastructure:** While charging infrastructure is improving, there's still a need for widespread and accessible charging stations. The limited range of some electric three-wheelers can be a concern for long-distance travel, impacting their adoption.
- **Battery Technology and Performance:** Advancements in battery technology are crucial for the success of electric vehicles. Challenges include the cost of batteries, their lifespan, and the need for continued improvements in energy density and charging speed.
- **Perception and Awareness:** Awareness about the benefits and capabilities of electric three-wheelers among consumers, especially in rural areas, remains a challenge. There might be resistance due to unfamiliarity or misconceptions about the technology.
- **Infrastructure Readiness:** Beyond charging infrastructure, there's a need for overall infrastructure readiness, including maintenance and repair services for electric three-wheelers. Ensuring that workshops and service centres are equipped to handle EVs is vital.
- **Supply Chain Challenges:** The supply chain for electric vehicle components, especially batteries, might face disruptions. Dependence on imports for certain components can be a vulnerability, and building a robust domestic supply chain is essential.
- **Integration with Existing Ecosystem:** Integrating electric three-wheelers into the existing transportation ecosystem, including traffic management, licensing, and insurance, poses challenges. Adapting regulations and systems to accommodate these vehicles is an ongoing process.
- **Financing Options:** Limited financing options for electric three-wheelers can be a hurdle for potential buyers, especially in the unorganized and small-scale operator segments. Developing affordable and accessible financing mechanisms is critical.
- **Technological Standardization:** Standardization of technology and components can enhance interoperability, efficiency, and ease of maintenance. Achieving industry-wide standards can be challenging due to diverse manufacturers and technologies.

Role of Government Policy

- **FAME Scheme:** The Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme is an initiative by the government to incentivize the production and adoption of electric and hybrid vehicles, including three-wheelers. FAME provides financial incentives, subsidies, and support for charging infrastructure development.
- **GST Benefits:** The Goods and Services Tax (GST) rates for EVs, including 3W EVs, have been reduced to promote affordability. This reduction in GST aims to make electric vehicles more accessible to consumers.
- **Incentives for Manufacturers:** The government provides incentives and benefits to manufacturers engaged in the production of electric vehicles. This includes support for research and development activities focused on EV technology.
- **State-Specific Policies:** Several states in India have introduced additional incentives and policies to encourage the adoption of electric three-wheelers. These can include state-level subsidies, road tax exemptions, and other incentives.
- **Charging Infrastructure Support:** The government has recognized the importance of charging infrastructure for EVs. Policies and initiatives are in place to encourage the development of charging stations, making it more convenient for 3W EV users.
- **Phased Manufacturing Program (PMP):** The government has outlined a Phased Manufacturing Program to promote local manufacturing of EV components. This is intended to boost the domestic electric vehicle industry, including 3W EVs.
- **Zero-Emission Vehicle (ZEV) Credits:** In line with global trends, discussions have taken place regarding the introduction of Zero-Emission Vehicle credits. These credits would reward manufacturers for producing and selling electric vehicles, contributing to the reduction of carbon emissions.

Future Outlook of Electric 3Ws

Growth Prospects:

- **Advancements in Technology:** Continuous advancements in battery technology, energy storage, and electric drivetrains contribute to improved performance, range, and overall efficiency of electric three-wheelers. Technological progress enhances the appeal and acceptance of these vehicles.
- **Charging Infrastructure Development:** As the charging infrastructure expands, concerns about range

anxiety decrease. The availability of convenient and widespread charging stations is crucial for boosting the confidence of electric three-wheeler users and encouraging more people to switch to electric.

- **Global Market Trends:** The global push toward electric mobility is influencing the Indian market as well. This trend creates opportunities for Indian manufacturers to tap into international markets, fostering the growth of the electric three-wheeler industry.
- **Public Awareness and Education:** Efforts to raise awareness and educate the public about the benefits of electric vehicles contribute to changing consumer perceptions. As understanding increases, more consumers may consider electric three-wheelers as viable alternatives.

Opportunities and Threats:

Opportunities:

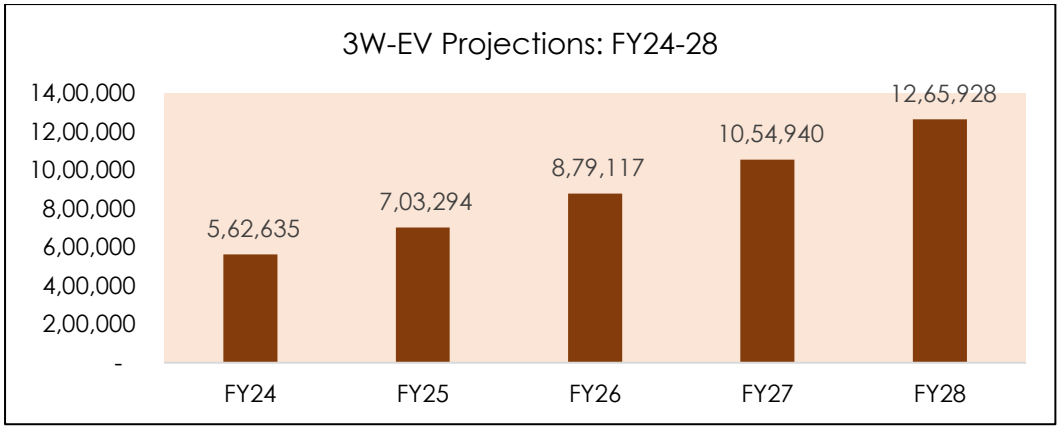
- **Government Support:** Strong government support through incentives, subsidies, and policy initiatives creates a favourable environment for the growth of the 3W EV sector in India.
- **Environmental Concerns:** Increasing awareness and concerns about environmental sustainability provide an opportunity for 3W EVs to be embraced as a cleaner and greener alternative to traditional vehicles.
- **Last-Mile Connectivity Demand:** With the growing need for efficient last-mile connectivity in urban and peri-urban areas, 3W EVs can serve as convenient and cost-effective solutions, especially for short-distance commuting.
- **Technological Advancements:** Opportunities exist for innovation and technological advancements in battery technology, charging infrastructure, and overall vehicle design, enhancing the performance and appeal of 3W EVs.
- **Economic Viability:** Rising fuel prices and the potential for lower operating costs with electric vehicles present economic advantages, making 3W EVs attractive for commercial operators.
- **Global Market Expansion:** As the global demand for electric vehicles increases, Indian manufacturers have the opportunity to explore and expand their presence in international markets, contributing to the growth of the 3W EV industry.
- **Collaborations and Partnerships:** Collaborations between industry players, government agencies, and international organizations can lead to synergies, driving innovation, and accelerating the overall development of the 3W EV ecosystem.

Threats:

- **High Initial Costs:** The relatively high upfront costs of 3W EVs compared to traditional vehicles may pose a challenge, especially for small-scale operators and individual buyers.
- **Charging Infrastructure Challenges:** The lack of a well-developed and accessible charging infrastructure can limit the widespread adoption of 3W EVs, leading to concerns about range anxiety among potential users.
- **Battery Technology Limitations:** Challenges related to battery technology, including concerns about energy density, charging times, and overall performance, may impact the market acceptance of 3W EVs.
- **Competition from Conventional Vehicles:** Traditional internal combustion engine vehicles, especially in the three-wheeler segment, continue to dominate the market. Convincing consumers to shift from familiar options to EVs can be a hurdle.
- **Supply Chain Disruptions:** Dependency on global supply chains for key components, such as batteries, can expose the industry to risks associated with disruptions in the supply chain, affecting production and availability.
- **Policy Uncertainties:** Frequent changes or uncertainties in government policies related to EVs can create challenges for manufacturers and investors, impacting long-term planning and investments.
- **Consumer Perception and Awareness:** A lack of awareness or misconceptions about the capabilities and benefits of 3W EVs may slow down their adoption. Consumer education is crucial for overcoming these challenges.

Growth Outlook for EV-3Ws

Acuité Research has projected the EV-3W volumes in India for the next 4-5 years. It expects a strong annualised volume growth of 22.5% in this sector driven by improving cost economics of battery operated vehicles. The India electric three-wheeler market size reached US$ 1 Billion in 2023. Looking forward, we expect the market to reach US$ 3.4 Billion by 2032, exhibiting a growth rate (CAGR) of 13.9% during 2024-2032.



#Acuité Research

OUR BUSINESS

*As on April 01, 2021, our Company had one wholly owned subsidiary, MIC Electronics Inc., USA and the said subsidiary has been wound up and dissolved under the laws of the state of California, USA w.e.f. June 21, 2021. During the financial year 2022, our Company had acquired 50.99% equity stake in Bikewo Green Tech Private Limited ("**Bikewo**") (formerly known as M/s. Right Automobiles Pvt Ltd), which became our Erstwhile subsidiary. Our Company subsequently sold the equity stake in the Bikewo on November 11, 2023. As of the March 31, 2024, the Company does not have any subsidiary company. In view of above acquisition/divestment/winding up of our subsidiaries, unless the context requires otherwise or indicated otherwise, the financial information in this Placement Documents disclosed from the Audited Consolidated Financial Statements for the Fiscal ended 2023 and 2022 and Audited Standalone Financial Statements for the Fiscal ended 2024, 2023 and 2022.*

Further, as on date of this Placement Document the Company has one Wholly Owned Subsidiary, SOA Electronics Trading LLC which has been incorporated under the laws of Dubai, UAE on May 22, 2024. The Wholly Owned Subsidiary has not commenced its business operations as on date of this Placement Document.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry Report on "LED Lights, Display, 2W EV, 3W EV" dated May 5, 2024, (the "**Acuite Report**") prepared and issued by Acuite Ratings & Research Limited appointed by us on October 9, 2023, and exclusively commissioned and paid for by us in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. For more information, see "Risk Factors – Industry information included in this Placement Document which has been derived from a third-party industry report, exclusively commissioned and paid for by us. There can be no assurance that such third party statistical, financial, and other industry information is either complete or accurate." on page 62.*

Unless otherwise stated or context require otherwise, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our erstwhile subsidiary, on a consolidated basis. Unless otherwise stated or context require otherwise, references in this section to "Issuer", "our Company", MIC" are to our Company, on a consolidated basis.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 43, 126, 93 and 234, respectively, as well as the financial and other information contained in this Placement Document. Additionally, please see section titled "Definitions and Abbreviations" on page 20 for certain terms used in the following section.

Overview

Incorporated in 1988, we are an Indian company with design and display capabilities in true colour light emitting diode ("**LED**") video displays, LED passenger information displays and LED lights. LED is a semiconductor device that emits light when an electric current flows through it. LED finds applications in many electronic devices including residential and commercial lighting, television screens, display screens, automotive lights, optical communication, alarm and security systems, remote control operations, robotics etc. LED devices have become popular in these devices due to its durability, low power consumption and fast switching capabilities. *(Source: Acuite Report)*

Our Company has recently started developing 42V/3A electric vehicle battery charger for e-cycles and two-wheelers, which play crucial role in ensuring the efficient and convenient charging of the batteries that power EV vehicles.

Our Company is an ISO 9001:2015 certified, with our presence in the domains of LED video, graphics and text displays and LED lighting solutions. Our Company design, develop and manufacture the LED video displays and LED lighting products. Our Company's flagship products are LED video displays (indoor and outdoor).

Our products are categorised as

(i) LED Lightning: Our LED lighting offerings focus on (a) indoor lightning such as area lights, down lights, tube lights; (b) outdoor lighting such streetlights, parking lights, industrial lights etc; (c) solar lighting such as solar streetlights, solar home lights; etc and (d) portable lights.

(**ii) LED Displays:** Our LED Display offerings focus on (a) indoor displays such as indoor video screenings; digital posters; etc; (b) outdoor displays such as ticker displays, digital posters, perimeter displays, digital billboards, outdoor video walls, etc; (c) mobile displays and (d) application specific displays.

Our Company has one manufacturing facility located in Cherlapally, Hyderabad for manufacturing LEDs products. In our manufacturing operations, we aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

In the year 2018, our Company went under a Corporate Insolvency Resolution Process ("**CIRP**") proceeding, and in the year 2019, the Resolution Plan of our current Promoters was accepted, and a new Board of Directors was constituted on August 7, 2019. By virtue of above Resolution Plan, our corporate Promoter, RRK Enterprise Private Limited ("**RRK**") acquired our Company and accordingly, our Company became a subsidiary of RRK with effect from March 25, 2022. For further details, please see section titled "*Organizational Structure*" on page 175. The current Promoters and management assumed control of operations during the Fiscal 2022 and procured one time order of oxygen concentrators 5,000 oxygen concentrators from one of the largest crude oil and natural gas company, which was successfully completed by our Company. During Fiscal 2022, we generated ₹2,987.38 lakhs in revenue from sale of oxygen concentrators to one of the which represented 66.46 % and 95.93 % of total revenue from operations, on a consolidated and standalone basis, respectively.

Subsequently, during Fiscal 2023 our Company has procured the project on integrated passenger information system ("**IPIS**") and received necessary approvals for executing the project. As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024 our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. The orders received from Indian Railways also provide us opportunity to generate revenue by providing annual maintenance contract ("**AMC**") services in respect of IPIS supplied to Indian Railways by our Company. Our AMC services are valid for a period of 12 months from the date of issue of letter of acceptance. Our AMCs by Indian Railways are usually renewed on annual basis thereby generating recurring revenue for our Company. We are also trying out job work of PCB uploading for third parties.

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of electric two-wheeler ("**E2W**"). Our Company has also on standalone basis supply two electrical vehicles to the distributors of the Bikewo under invoicing to Bikewo. On November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, but our Company intend to capitalize on our experience in the E2W and as part of business strategy our Company untap the potential in electric vehicle ("**EV**") segment through acquisition or investment.

Our current Promoters and the senior management team have been implementing changes in our Company including improving sales, starting development of new products with investment into D&D. Our management team has demonstrated the ability to successfully implement changes post the implementation of the Resolution Plan. Our dedicated Design and Development ("**D&D**") team focuses on product designing, tools, electronic circuit designing and prototype designing. As on April 30, 2024, our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

Financial Information and Key Performance Indicators (KPIs)

Set forth are the financial information and key performance indicators for the period/ years indicated on a consolidated basis:

(in ₹ lakhs, except as otherwise stated)

Particulars	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	2,290.81	4,494.70
Total Income	2,485.15	4,625.28
EBITDA	342.67	767.86

Particulars	Fiscal 2023	Fiscal 2022
EBITDA margin (%)	13.79	16.60
PAT	24.36	296.28
PAT margin (%)	0.98	6.41
ROCE (%)	1.59	7.20
ROE (%)	0.38	4.65
Net debt/EBITDA ratio	4.74	1.01

Set forth are the financial information and key performance indicators for the period/ years indicated on a standalone basis:

(in ₹ lakhs, except as otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	5,457.48	589.22	3,114.10
Total Income	5,656.61	779.75	3233.57
EBITDA	2,091.63	269.25	655.55
EBITDA margin (%)	36.98	34.53	20.27
PAT	6,183.88	14.96	281.09
PAT margin (%)	109.32	1.92	8.69
ROCE (%)	15.84	1.08	6.58
ROE (%)	50.70	0.25	4.69
Net debt/EBITDA ratio	0.51	3.82	0.13

Our Strengths

Capability for manufacture of LED video display systems

We are one of the very few companies in India to have the capability for manufacture of LED video display systems. We provide customized solutions based on our customer needs, location, display purpose, *etc.* We specialize in the design, development, production, and sales of LED display systems. This segment plays a pivotal role and has established a presence in India's LED display market. Key highlights of our LED business include:

"Scan+" Technology: Our LED displays feature “Scan+” technology, enabling us to deliver true-color, high-quality motion picture images. This technology is a differentiator, enhancing the visual appeal of our products.

Diverse Applications: Our LED displays find applications in various sectors, including live events, advertising (electronic billboards and news tickers), indoor installations (e.g., shopping malls, airports, and railway stations), and mobile setups. This versatility broadens our customer base and market reach.

Day-and-Night Visibility: Our LED display systems offer consistent picture quality and visibility regardless of ambient lighting conditions. They can operate effectively even in direct sunlight, a feature that sets them apart from competitors.

Remote Accessibility: The LED systems can be monitored and controlled remotely, enabling real-time content management. This feature is particularly appealing to advertisers and marketers, facilitating dynamic content updates.

True Color Display: With the ability to display true colors (12-16 bits per color, offering 64 billion to 256 trillion shades). Our LED displays can showcase products and content with clarity.

Weather Resistance: The modules and components of our LED display systems are designed to withstand inordinate weather conditions, ensuring durability and minimal maintenance requirements.

Broad Customer Base: Our LED display solutions cater to a diverse customer base, including advertising agencies, shopping malls, transportation hubs, and event organizers.

Emphasis on research and technological innovation

We believe that our growth is a result of our thrust on continuous research and innovation. Our D&D team focuses on product designing, electronic circuit designing and prototype designing. Our D&D team has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert

such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. We believe that innovation and applied engineering continue to be the key determinant for our success. The development and commercialisation of our products are complex, time-consuming, costly and involve a high degree of business risk. As on April, 30, 2024, our D&D team consists of 11 members, of which 6 members have substantial experience in the field of electronics and communication engineering.

Poised to capture growth of LED market

We are well-positioned to capitalize on opportunities in the LED display and lighting market driven in part by governmental policies for energy saving and environment protection and importantly, the increasing awareness and adoption of LED lighting. Further, LED lighting is central to reducing environmental impacts in both the residential, commercial and industrial sectors.

As on date of this Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Further, we also provide customized solutions based on our customer needs, location, display purpose, etc.

Indian Railways has already achieved its target of 100% LED lighting across its network by March 2018. This has helped the Railways save Rs 500 million per annum in electricity bills and reduce carbon dioxide (CO2) emissions by 60,000 tons. Currently, it has initiated a rail station development programme called 'Amrit Bharat Railway Stations'. The entire project covers redevelopment works at 1,309 stations across the country with the first 508 train stations across 27 states and union territories to need an investment of Rs 244.7 billion (USD 3 billion). The redevelopment will provide modern passenger amenities along with ensuring better traffic management, intermodal integration and signage particularly for passengers with reduced mobility. Works at the selected stations will include the modernisation of buildings, new platforms and better seating areas along with upgraded waiting rooms. This will continue to drive demand for LED lighting solutions from Indian Railways including those required for signalling systems. *(Source: Acuite Report)*

The LED market is expected to expand significantly during the forecast period due to the continuing replacement of incandescent lights with LED and a steadily increasing number of lighting applications both for indoors and outdoors where LED lights can get deployed. Compared to incandescent bulbs, LED lights last 25 times longer and use 75% less energy. Therefore, it has been beneficial to replace outdated lighting systems with LED lighting. There is also a growing demand for new outdoor LED lighting installations. *(Source: Acuite Report)*

Furthermore, government initiatives and policies for LED adoption has driven market growth. In India, the penetration of LEDs for outdoor applications has been steadily rising. For example, by 2024, one of the PSUs, Energy Efficiency Services Limited (EESL), plans to install 1.6 Cr smart LED streetlights across the country. The government has been implementing two different programmes - Unnat Jyoti by Affordable LEDs for All (UJALA) and LED Street Lighting National Programme (SLNP) through EESL. India's highway and roadway infrastructure has also been adopting LED lights. Higher outlay towards road projects and road maintenance will also continue to boost the demand for LED lighting. Furthermore, municipal corporations across the country have been increasing their budget for not only street lighting but also for lighting (flood lights) required in various sports facilities. *(Source: Acuite Report)*

Usually, in industrial settings with high, difficult-to-reach ceilings and large spaces where lighting is difficult and ineffective, conventional high-intensity discharge (HID) and fluorescent lighting systems may be more effective. However, HID systems are incompatible with modern sensors and wireless controls; as a result, energy consumption tends to be higher. Currently, there is a noticeable demand in India for LED lighting solutions with advanced technology that use daylight harvesting to reduce energy consumption or that turn lights on and off at pre-designated times in pre-designated zones. Lot of managers of industrial facilities have started to use customized LED lighting solutions to boost efficiency and improve performance across their facilities. *(Source: Acuite Report)*

As the urban consumer market continues to show high growth in India, investments in commercial infrastructure – shopping malls and large showrooms have risen steadily. Retail outlets require attractive and bright lighting systems to attract the attention of the consumers and trigger the purchase intent. Relevant and attractive Illumination is essential to enhance the desirability of the products. LED lights are versatile and functional in assorted colours, sizes, wattage, and shapes. These factors drive the usage of LED lighting in such commercial spaces. *(Source: Acuite Report)*

Our LED manufacturing capacity along with our focus on D&D enables us to meet further demand for LED lighting in India. We are focused on business strategies to prepare our Company to take advantage of these market opportunities.

Stable customer base

During Fiscal 2023, our Company has procured the project IPIS and received necessary approvals for executing the project. As on date of Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. We have been receiving repeat orders for our display systems from Indian railways. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. Further, repetitive orders from Railways also provide us opportunity to generate revenue by providing annual maintenance contract ("**AMC**") services in respect of IPIS supplied to Indian Railways by our Company. Our AMC services are valid for a period of 12 months from the date of issue of letter of acceptance. Our AMCs by Indian Railways are usually renewed on annual basis thereby generating recurring revenue for our Company. We believe that our understanding of the industry and market requirements has helped us to continually introduce innovative features. We ensure that service is rendered to the end-users of our products. Towards this end, we ensure that our customers' service requirements are attended to ensure minimum waiting period for the customer. We ensure that our after sales personnel are well-equipped in terms of the spare parts maintained as well as the availability to handle any service requirements or problems encountered by the customers while operating the display systems.

Our Strategies

Continue to focus on expanding our LED products portfolio

We intend to continue focusing on increasing our capacity and performance in order to increase the supply our LEDs products portfolio in both Indian Railways and the private sector requirement by leveraging on our strengths and providing complete customer satisfaction. LED lighting solutions are an immediately accessible option for companies and individuals looking to decrease their environmental footprint. The Indian LED lighting market size is estimated to have reached US$ 5.7 Billion in 2023. Acuite Research expects the market to remain robust over the next five years and grow at a CAGR of 14.0% to reach US$ 11.0 Billion by 2028 *(Source: Acuite Report)*

Major factors behind increased use of LED lights *(Source: Acuite Report)*

Conserving Energy

One of the biggest long-term advantages of LED lights and displays are their high energy efficiency. LED technology is an environmentally friendly option because it consumes a significantly less energy than conventional lighting and display technologies.

Improved Reliability and Durability

LED displays are designed to withstand a wide range of environmental factors, such as changes in humidity, temperature, and even physical impacts. Because of their durability, LED displays are a reliable investment for both home and commercial appliances, ensuring that they will function well over time.

Longer Life Expectancy

LED lights often have tens of thousands of hours of life left in them. Because of this durability, customers can take advantage of dependable performance for longer periods of time. With a significant reduction in the need for frequent replacements, there is a gradual increase in the sustainability and economic viability of the solution by using fewer resources and producing less technological waste.

Environmentally Conducive

Toxic chemicals are absent from LED lights. Most standard fluorescent light bulbs are made of several environmentally hazardous substances like mercury. LED lights can help cut the carbon footprint by up to 33% and are completely recyclable. They also do not contain any toxic materials. One LED light bulb can save the materials and manufacturing required to produce twenty-five incandescent light bulbs due to its extended operational lifetime which has enabled us to take a significant step toward a more environmentally friendly future.

No UV Radiation

LED lighting emits almost no UV light and extraordinarily little infrared light. Because LED lighting emits extraordinarily little heat, it is therefore ideal not only for products and materials that are heat-sensitive but also for lighting UV-sensitive materials or objects in places like art galleries, museums, and archaeological sites.

High Design Flexibility

LEDs can be combined in any shape to produce highly efficient illumination. Individual LEDs can be dimmed, resulting in a dynamic control of light, colour, and distribution. Well-designed LED illumination systems can achieve fantastic lighting effects, not only for the eye, but also for the mood and the mind.

Low Power Needs

For LED lighting, a low-voltage power supply is adequate. By connecting to an external solar energy source, this facilitates the use of LED lighting outdoors and is a major benefit for lighting requirement in remote or rural areas.

Pursuing strategic in-organic growth opportunities and capturing market opportunity in the growing EV space

During the Fiscal 2022, our Company acquired 50.99% shareholding in Bikewo pursuant to which Bikewo became our Erstwhile subsidiary. Bikewo was engaged in the supply and distribution of E2W. However, on November 11, 2023, our Company divested its entire stake in Bikewo through transfer of shares and pursuant to the said divestment, Bikewo discontinued to be a subsidiary of our Company. Although, our Company have divested our entire stake in Bikewo on November 11, 2023, but our Company intend to capitalize on our experience in the E2W and as part of business strategy our Company shall untap the potential in EV segment through acquisition or investment.

Further, our Company on standalone basis has supplied 1034 E2W to the distributors of the Bikewo under invoicing to Bikewo. During the Fiscals 2024 and Fiscals 2023 on standalone basis, our company generated revenue of ₹490.42 lakhs and ₹355.26 lakhs representing 8.99% and 60.29% of standalone revenue form operation.

According the Acuite research, India is the largest market for Two Wheelers (2W) in the world. The key demand drivers in the country are the need for fuel-efficient vehicles, the expanding working women population, the lack of adequate and efficient public transportation systems in Indian cities and towns and rising per capita incomes as well as improving road connectivity in the rural areas of India. *(Source: Acuite Report)*

We believe that strategic investments and acquisitions of businesses in the electric vehicle industry may act as an enabler for the growth of our business. We intend to selectively pursue opportunities that will consolidate our market position and enhance our financial position, expand our existing product portfolio and increase our sales, marketing and distribution network, customers and geographical reach and help us in technological advancements.

The 2W market in India has been estimated to have a size of around USD 23 billion (Rs 1.9 trillion) in 2023 and is estimated to reach USD 33.1 billion (Rs 3.0 trillion) in 2028, registering a CAGR of 10.0% in rupee terms and 7.5% in dollar terms (Projections – Acuité Research). Over the next few years, the two wheeler market will be driven by steady replacement of petrol 2Ws by EV 2Ws, upgradation from basic models to premium bikes and increasing penetration in the rural and remote areas of the country. *(Source: Acuite Report)*

The market for electric three-wheelers in India was estimated to be ~ Rs 61.1 billion (US$ 750 million) and has grown further to Rs 128.6 billion (USD 1.57 billion). The rising costs of a range of transport fuels, like diesel, gasoline, LPG, CNG etc along with the increased sensitivity of their environmental impact have led to an increasing trend towards electric three wheelers in the country. In addition, the market growth is supported by an increasing number of initiatives and awareness programs undertaken by the Indian government in order to reduce GHG emissions from fossil fuel driven vehicles. In India, the 3W segment is experiencing a structural shift from internal combustion engine (ICE) vehicles to electric vehicles (EVs). This shift is also evident in the notable rise in e-rickshaws across various parts of the country. In India, the market share of the overall electric vehicles (EVs) is significantly dominated by E3Ws. Specifically, the E3W passenger segment holds 59.4% of the cumulative market share until FY2022, while the E3W cargo segment contributes an additional 4 percent. The growth outlook for electric three-wheelers in India is strongly positive. The Indian government has set ambitious targets for electric vehicle adoption, aiming for a significant share of electric vehicles on the road by 2030. The growth is expected to be supported by ongoing government incentives, expanding charging infrastructure, reducing battery costs, and the competitive operating costs of electric vehicles. Acuité Research has projected the EV-3W volumes in India for the next 5 years. It expects a strong annualised volume growth of 22.5% in this sector driven by

improving cost economics of battery operated vehicles. The India electric three-wheeler market size reached US$ 1 Billion in 2023. Looking forward, we expect the market to reach US$ 3.4 Billion by 2032, exhibiting a growth rate (CAGR) of 13.9% during 2024-2032. *(Source: Acuite Report)*

While this would be a component of our strategy, we presently do not have any legally binding commitments to enter into any such investments or acquisitions in electric vehicle. We intend on identifying and pursuing such opportunities, which will allow us to diversify into different segment, expand our product portfolio, increase the visibility of our products, thus increasing our market share and creating value for our shareholders. In pursuance of the same, we may use the proceeds of the Issue for business purposes, including but not limited to, working capital requirement, general corporate purposes and expansion of our business through inorganic growth. For further details, please see section titled "*Use of Proceeds*" on page 79.

Diversify our customer base for LED lights & displays and expand across geographies

As on date of this Placement Document, our largest customer in our LED segment is Indian Railways, particularly Eastern Central Railway, East coast Railway, Eastern Railway, Western Railway, West Central Railway, Central Railway, North Central Railway, Northern Railway, South Central Railway, South Eastern Railway, and Southern Railway. As on March 31, 2024, our Company has unexecuted order of ₹7,064.53 lakhs from Indian Railways. We intend to selectively focus on our expansion in LED lights & displays. In our opinion, these markets offer us the ability to market our premium LED offerings. We intend to achieve this expansion by employing dedicated sales and marketing teams whose primary focus will be on business development in international markets, particularly, in our focus geographies. We will also look for new partners in our focus markets to establish a local presence, and, in certain markets. We have proposed to an integrated oil company in India and petroleum company for, which are under consideration, setting up LED boards for advertisements at their outlets on a profit-sharing basis.

Our efforts at diversifying into newer segments of our existing business or into new domestic markets may be facilitated by investing in similar business opportunities or making acquisitions of existing brands or businesses with manufacturing units, market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our existing business.

Continue to focus in D&D

The success of our products will depend on several factors, including our ability to engineer them to the high standards requirement by regulators, certifying agencies and our customers, to properly anticipate customer needs; to obtain timely regulatory approvals; to establish collaborations with suppliers and customers; to develop and manufacture our products in a timely and cost-effective manner through our product development efforts; and to market and sell our products successfully.

In addition, the development and commercialisation of our products are characterised by significant upfront costs, including costs associated with product development activities, obtaining regulatory approvals and certifications and building manufacturing processes. The components and products that we manufacture are subject to technological change. These changes may affect the demand for our products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends.

As part of our strategy and to cater to the changing customer preferences and market trends, we aim to continue to focus and invest in our D&D initiatives to develop new products and to enhance production and cost efficiencies of our customer's product suites. In addition, we are actively looking to add employees to our D&D team. Through our focus on D&D and developing products with our customers, we will be able to continually innovate our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. Further, by developing products with our customers and by offering a broad range of products, we are able to increase customer dependence on us and position ourselves as a preferred supplier.

Our Products

We design, develop and manufacture LED video displays and LED lighting products. Our Company's flagship products are LED video displays (indoor / outdoor / mobile), that have become an integral part of sports stadiums, transportation hubs, digital theatres, theme parks, advertisements and public information displays.

Our products are categorised as

(i) LED Lightning: Our LED lighting offerings focus on (a) indoor lightning such as area lights, down lights, tube lights; (b) outdoor lighting such streetlights, parking lights, industrial lights etc; (c) solar lighting such as solar streetlights, solar home lights; etc and (d) portable lights.

(**ii) LED Displays:** Our LED Display offerings focus on (a) indoor displays such as indoor video screenings; digital posters; etc; (b) outdoor displays such as ticker displays, digital posters, perimeter displays, digital billboards, outdoor video walls, etc; (c) mobile displays and (d) application specific displays.

Design & Development ("D&D")

As on April 30, 2024, our D&D department has 11 personnel employed as permanent employees both with technical and non-technical experience. Our research focuses on the following parameters:

- Innovative Ideas
- Market Trends
- Cost Reduction
- Feature Enhancement
- Customer Satisfaction

LED Display Software enhancement:

Our endeavour is to continue to focus on innovative ideas, market trends, cost reduction, feature enhancement and customer satisfaction. Capabilities of our D& D team for indoor display and solar LED lightings for rural applications are as below:

Hardware design– Our D&D team carries considerate experience in the areas of high-speed circuit design, digital, analog and mixed signal designs, high speed multi-layered PCB design, design verification and testing. The design team take care of product reliability at the time of Design by using different methods like Mean-Time-Between-Failure ("**MTBF**").

Embedded Systems: We have experience with various high-speed micro controller and microprocessors. We have a capable team which can develop embedded software using assembly C and C++ languages. We have expertise using real time operating systems exported on to embedded platforms. We also developed different protocol stacks required for the telecommunication equipment.

Very Highspeed integration circuit hardware Description Language ("**VHDL**") – VHDL is a hardware description language used for designing of chips and Application Specific Integrated Circuits ("**ASIC**"). We have experience in area, using VHDL and high-speed FPGAs and have developed a technology for the video systems.

System Software – We have system software development capabilities and have developed various system software for our internal requirements as well as external clients for variety of domains and applications.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and ensuring timely delivery. We believe consistent interaction with our customers to understand their needs helps us in retaining connect and collaborating in developing new products. Our sales and marketing activities for our products are carried out by our sales and marketing personnel, who are responsible for business development, acquisition of new clients and is instrumental in identifying and initiate dialogue to develop customer interest. Further, our Promoters, have been instrumental in our Company's growth and development by taking personal interest in customer development activities and interacting with key customers directly. As on March 31, 2024, we have a marketing team of 5 personnel.

Our Company services its domestic customers through its marketing and sales team in India. We have been participating in Indian Railways tenders. Furthermore, we are marketing streetlights to various agencies with the objective of growing our business significantly over the next six months.

Our Display Technology

The two principal components of our systems are the intelligent display modules and the display controller. The display controller uses our hardware with embedded software along with our chip logic programme in Field Programable Gate Array ("**FPGA**") linked with specifically configured computer hardware and software to process the information provided by the user and other interfaces. Display controller accepts different communication interfaces like optical fibre links, radio links, GSM, CDMA, Asymmetric Digital Subscriber Line ("**ADSL**"), fixed line connections to feed data from remote locations. With our expertise in hardware, software, embedded technologies and product engineering we have developed in-house the technology required for production of LED displays. Further, Our Scan+ technology processes four trillion colors internally to give very good picture quality.

Production & raw material planning

Our marketing department informs the purchase department on the delivery schedules of screens for the year and also on a month-by-month basis. The purchase department then plan the procurement activity depending upon the lead time of items required. The procurement is conducted on a need basis.

Manufacturing Process

As a vertically integrated manufacturer of display systems, we perform most sub-assembly and substantially all final assembly of our products. We augment our production capacity with the use of outside subcontractors primarily for metal fabrication, manufacture of Printed Circuit Boards ("**PCBs"**) and other miscellaneous operations. Our Company load the critical embedded software into the PCB at our in-house manufacturing facility in Hyderabad.

The Design & Development ("**D&D**") department provides all manufacturing documents like bill of materials, parts list, assembly drawings, assembly procedures, test procedures, test formats, schematics, troubleshooting details, wiring drawings, mechanical assembly drawings, films, test jigs etc to the production department, for manufacture as per the documents and specifications.

Stages in the manufacturing process are as below:

Material issue: The purchase department raises Material Issue Requisition ("**MIR**") for the required raw material. The manufacturers' batch numbers are also recorded on MIR copies which help us in carrying out any after sales support required from the OEM vendor. The purchase department issues the material to either in-house assembly or sub contractor as per production schedules and volumes.

PCB assembly: The required raw material is sub divided into small kits. Assembly documents are issued to the individual operator; the sequence of component assembly is followed as per procedure. The process card and assembly number generated at the completion of the process plays a key role in traceability. These process cards are removed during module/ system assembly stage and preserved at quality assurance department.

PCB assembly, inspection & testing: All assembled units are subjected to inspection, further, each and every PCB is tested thoroughly as per given specifications, test procedures and test formats.

Potting: The purpose of potting is to make the panels waterproof. Shades are fixed to the LED panels to enable visibility during daylight.

Mechanical activity: Four LED panels are accommodated on single enclosure called display module. A suitable gasket is used in between the casing and LED panel housing to prevent water entry. Wiring is performed as per drawing.

Environmental tests: Burn-in test is conducted wherein the modules are kept in walk-in chamber and the chamber temperature is maintained 50°C for 72 hours. All modules are energized and runs in self-test routine. These modules tested again at room temperature to see the behaviour during temperature variations.

Final Inspection: All tested display systems modules are fixed to the structure to form a big screen (simulation of field condition). The screen is interfaced to a controller and Personal Computer (PC)/Server. The application software is loaded in the PC and runs the test schedule to check entire screen at a time. The facilities, which are supported are live TV channels with dish, DVD player, live camera etc., are checked at this stage and run the screen for a specified number of hours.

Raw Materials

We source some of our key raw materials from a limited number of suppliers for LED products include diodes, resistors, printed circuit boards, semiconductor materials, plastic and polymers, aluminium dye cast and extruded aluminium, various metals, electrical and electronic components. Dependence on a limited number is on account of the fact that only a few are able to meet the quality standards required by us. We source a large proportion of LEDs for our outdoor display systems from Taiwan. We enter into purchase orders under which we agree to purchase a minimum amount of product in exchange for guaranteed price terms over the tenure of the contract, which generally does not exceed a year.

Inventory Management

We typically manufacture the display boards and LED lights on order-to-order basis. These inventory levels are planned based on existing and expected orders, which are confirmed due to our relationships with customers. We maintain a lead-time material requirement planning system to manage our levels of inventory.

We sell our products on a cost, insurance and freight basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facility. We rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions in logistics have the potential to impair our ability to procure raw materials and/or deliver our products on time.

Environment, Health and Safety

We are subject to national, regional and state laws and government regulations in India and regulations in relation to safety, health and environmental protection. Our manufacturing facility is ISO 9001:2015 (quality management system), certified. We strive to manage the potential risks associated with such laws and regulations through our operational controls, monitoring and routine risk assessment and mitigation processes. We aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact.

Utilities

We consume fuel and power for our operations at our manufacturing facilities, which is sourced through the local state power grid. Additionally, we have also installed generators in our manufacturing facilities to ensure uninterrupted supply of power. In Fiscal 2023 and Fiscal 2022, our power and fuel expenses on a consolidated basis were ₹20.13 lakhs and ₹11.32 lakhs, which represented 0.82% and 0.26% respectively, of our total expenses. In the Fiscal 2024, 2023 and 2022, our power and fuel expenses on a standalone basis were ₹53.34 lakhs, ₹18.38 lakhs and ₹10.15 lakhs, which represented 1.17%, 2.40%and 0.34% respectively, of our total expenses.

Information Technology

We rely on information technology infrastructure in order to maintain consistency in production chain and safeguard our operations. We are in the process of implementing Tally software, pursuant to which various financial, analytical and MIS reports will be generated. Further, this system will also enables us to track timely procurement of raw materials, payment to vendors and contract suppliers, and receivables from customers.

Competition

We operate in a competitive business in India. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities. We believe that our consistent tracking of

markets, developing new products and our consistent interaction with our customers is a key to our competitiveness and these factors *inter alia* enable us to anticipate the needs of our customers.

The LED products manufacturing is highly competitive, and manufacturers are often under pressure to reduce prices to remain competitive. This can affect the profitability of the industry and limit investment in research and development. One of the key challenges in the LED display market is the high initial cost of the product, the complexity of manufacturing large-sized displays, and the increasing competition from other display technologies such as OLED and QLED. With the increase in LED display screen suppliers in the market, the competition in product pricing has become intense. This has led to a squeeze in overall profit margins, impacting the growth of such businesses. *(Source: Acuite Report)*

Insurance

Our operations are subject to risks inherent to manufacturing operations. In order to manage the risk of losses from potentially harmful events, we maintain insurance policies such as fire policy, burglary policy, vehicle policy, transit policy and group accident guard policy**.** These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all our manufacturing facilities, stocks at facilities and offices.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurances. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For further details, please see section titled "*Risk Factors – Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, results of operations and financial condition."* on page 59.

Employees

Our employees contribute significantly to our business operations. As on April 30, 2024, we had 82 employees along with 65 contract labour. 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. Our employees are not unionized into any labour or workers' union and we have not experienced any major work stoppages due to labour disputes or cessation of work, historically.

A break-up of our permanent and contractual employees by function, as on April 30, 2024, set out below:

Function	Number of employees
Top Management and KMPs	5
D&D department	11
Production	16
QAD Department	3
Stores Department	5
Marketing Department	6
SCM and Purchase Department	6
Customer support department	14
Finance and Accounts	8
Administration and others	8
Contract workers	65
Total	**147**

Intellectual Property

Intellectual property rights are important to our business, and we devote significant time and resources to their development and protection. As on the date of this PPD, our Company has applied for 15 trademark applications including our corporate logo. Further, as on the date of this PPD, we have own 3 patents with respect to our LED products.

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in the provision of services in our businesses, including know-how and trade secrets related to proprietary technologies and patents, trademarks, know-how and trade secrets. Our know-how and trade secrets

in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality services and products to our customers. For further details, please see section titled "*Risk Factors – Our inability to maintain, protect and enforce our intellectual property rights could adversely affect our business, results of operations and financial condition*." on page 58.

Properties

Our Company registered office and factory located at Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad, Telangana, India, 500 051 is owned by us. The following table sets forth details of our lease properties as of the date of this Placement Document:

Location	Primary Purpose	Date of Expiry	Leased/Owned
#Unit No: 1212, B Wing, 12th Floor, Kanakia wall Street, Andheri – Kurla Rd, Chakala, Andheri East, Mumbai, Maharashtra 400 093*	Branch Office	September 30, 2026	Leased
SOA Electronics trading LLC 901, 9th floor, Spider Business Centre, Conrad office tower, Sheikh Zayad Road near Trade Centre, Dubai UAE*	Subsidiary	May 13, 2025	Leased

**The branch office is not operational as on the date of this Placement Document.*
*** Subsidiary is not operational as on date of this Placement Document.*

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was originally incorporated as incorporated as a private limited company with the name and style '*MIC Electronics Private Limited*' under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 17, 1988, issued by the Registrar of Companies, Andhra Pradesh. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the general meeting of the shareholders of our Company held on June 18, 1997, and the name of our Company was changed to its present name '*MIC Electronics Limited*', with a fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on July 29, 1997. The Registered Office of our Company is located at Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad – 500051, Telangana, India. The Equity Shares of our Company were listed on BSE and NSE on May 30, 2007. Pursuant to BSE circular dated June 22, 2021, and NSE circular dated June 24, 2021, our Equity Shares were suspended from trading on BSE and NSE with effect from June 22, 2021 and June 24, 2021, respectively. The trading in Equity Shares of our Company recommenced on NSE and BSE with effect from December 17, 2021, post capital reduction pursuant to the Resolution Plan.

A Corporate Insolvency Resolution Process (**"CIRP"**) was initiated against the Company on March 13, 2018. Pursuant to the CIRP proceedings, an Interim Resolution Professional (**"IRP"**) was appointed transferring the power of Board of Directors to IRP by a NCLT order dated March 13, 2018, who was thereafter confirmed as a Resolution Professional ""**RP**") by the Committee of Creditors ""**CoC**") at their meeting held on June 1, 2018. The resolution plan proposed by Cosyn Limited, RRK Enterprise Private Limited and Siva Lakshmanarao Kakarala (**"Resolution Applicants"**) for an infusion of funds valued at ₹300 lakhs, along with the equity infusion of ₹5,599.20 lakhs into our Company, was approved by the NCLT by its order dated July 31, 2019. ("**Resolution Plan**").

Subsequently, a monitoring committee ("**Monitoring Committee**") was constituted to monitor the implementation of the Resolution Plan. Pursuant to implementation of the Resolution Plan, the following steps were undertaken:

a) Our Company reduced the existing issued, subscribed and paid-up Equity Share capital from ₹44,05,08,638 to ₹11,01,28,000.
b) 14,88,29,402 and 1,58,52,941 Equity Shares were issued to our RRK Enterprise Private Limited and Siva Lakshmanarao Kakarala, respectively.
c) 14,10,000 and 2,90,000 Equity Shares were issued to Vibhav Engineering Solutions Private Limited and Sharmila D Karuturi, respectively ("**Strategic Investors**").
d) Our Board of Directors and Board committees were reconstituted on August 7, 2019, and November 12, 2021, respectively.

Therefore, with the approval of the Monitoring Committee, the above changes were made in the Company on the effective date i.e., July 31, 2019, in accordance with the Resolution Plan. With the implementation of the Resolution Plan, our Company's debt before the CIRP stands extinguished.

Change in the Registered Office

The details of changes in the registered office of our Company are set forth below:

Date of change	Details of change	Reasons for change
March 12, 2022	The registered office of our Company was shifted from A-4/11 Electronic Complex, Kushaiguda, Hyderabad – 500062, Telangana, India to Plot No. 192/B, Phase-II, IDA, Cherlapally, Hyderabad – 500051, Telangana, India	Operational convenience

Organisational Structure

Holding company

As on the date of this Placement document, RRK Enterprise Private Limited, one of our Promoters, is our holding company.

Subsidiary company

As on date of this Placement Document the Company has one Wholly Owned Subsidiary, SOA Electronics Trading LLC which has been incorporated under the laws of Dubai, UAE on May 22, 2024. The Wholly Owned Subsidiary has not commenced its business operations as on date of this Placement Document.

Note:

1. *Our Board vide its resolution dated November 11, 2023, has disinvested its entire stake in its erstwhile subsidiary i.e., Bikewo Green Tech Private Limited.*
2. *Our erstwhile subsidiary, MIC Electronics Inc., USA has been wound up and dissolved under the laws of the state of California, USA w.e.f. June 21, 2021.*

BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, the SEBI Listing Regulations and our Articles of Association. In accordance with the Articles of Association, our Company is required to have not less than three and not more than fifteen Directors, provided that our Company may appoint more than fifteen Directors after passing a special resolution in a general meeting of our Shareholders.

As on the date of this Placement Document, our Board comprises of seven (7) Directors, comprising of two (2) Executive Directors, One (1) Non-executive Directors and four (4) Independent Directors, including two (2) women Independent Director.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Kaushik Yalamanchili ***Address:*** 8-2-293/82/NL/228, Road No.10C, Jubilee Hills, Hyderabad- 500 033, Andhra Pradesh. ***DIN:*** 07334243 ***Period of Directorship:*** 3 years with effect from September 16, 2021 not liable to retire by rotation. ***Occupation:*** Business ***Nationality:*** Indian	30	Chairperson and Managing Director
Sivanand Swamy Mitikiri ***Address:*** Flat No 301, Unique Dream Residency, Khairatabad, Anand Nagar Colony, Opp Gandhi Tata Nagar Colony Welfare Association, Hyderabad – 500 082, Telangana ***DIN:*** 10166966 ***Period of Directorship:*** For a period of three year with effect from May 27, 2024 and shall be liable to retire by rotation. ***Occupation:*** Professional ***Nationality:*** Indian	67	Whole Time Director
Siva Lakshmanarao Kakarala ***Address:*** Flat No.201, Shiva Mansion, Opp MLA/MP Colony, Jubillee Hills, Shaikpet, Hyderabad 500 033, Telangana. ***DIN:*** 03641564 ***Period of Directorship:*** With effect from August 07, 2019 ***Occupation:*** Business ***Nationality:*** Indian	80	Non-Executive Director
Upadhyayula Karuna Gayathri ***Address:*** 12-2-129, Tyagaraya Nagar, Nagole, Tatti Annavaram, Telengana 500 068 ***DIN:*** 07901195	33	Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Period of Directorship: For a period of five years with effective December 09, 2019. ***Occupation:*** Professional ***Nationality:*** Indian		
Srinivas Rao Kolli ***Address:*** Plot No B-23, Panchavati Colony, Opp HDFC Bank, Manikonda, K.V. Rangareddy, Telangana – 500 089 ***DIN:*** 07980993 ***Period of Directorship:*** For a period of five years with effective March 12, 2022 ***Occupation:*** Professional ***Nationality:*** Indian	58	Independent Director
Sabitha Ghanta ***Address:*** 2-2647/182/B/5, Sarada Nagar, Street No: 2, Bagh Amberpet, Hyderabad – 500013 ***DIN:*** 07996656 ***Period of Directorship:*** For a period of five years with effective from November 11, 2023 ***Occupation:*** Professional ***Nationality:*** Indian	41	Independent Director
Subhash Lingareddi Somod ***Address:*** Tower 2, G9, Swanlake Apartments, Kukatpally, Telangana – 500 072 ***DIN:*** 09501374 ***Period of Directorship:*** For a period of five years with effective January 05, 2024 ***Occupation:*** Professional ***Nationality:*** Indian	46	Independent Director

Brief Profiles of our Directors

Kaushik Yalamanchili aged 30 years is the Chairperson and Managing Director of our Company. He holds a bachelor's degree in mechanical engineering from Manav Bharti University, Himachal Pradesh. He has been associated with our Company since July 06, 2021. He is responsible for handling finance, human resources and other functional areas of our Company.

Sivanand Swamy Mitikiri aged 67 years is the Whole-time Director of our Company. He is a qualified Company Secretary from the Institute of Company Secretaries of India and a qualified Chartered Accountant with Institute of Chartered Accountants of India. He holds a bachelor's degree in law from Andhra University. He has been associated with our Company since May 27, 2023. He has over 32 years of experience in the finance and admin departments.

Siva Lakshmanarao Kakarala aged 80 years is the Promoter and Non-Executive Director of our Company. He holds masters degree in Mathematics from Andhra University. He has been associated with our Company since August 07, 2019.

Upadhyayula Karuna Gayathri aged 33 years, is an Independent Director of our Company. She has been associated with our Company since December 09, 2019. She holds bachelor's degree in law from Osmania University and she is an associate member of the Institute of Company Secretaries of India. She had over 4 years of experience in corporate laws, secretarial matters and compliance. She is a Practicing Company Secretary.

Srinivas Rao Kolli aged 58 years is an Independent Director of our Company. He has been associated with our Company since March 12, 2022. He is a member of Institute of Chartered Accountants of India. He is a Practicisng Chartaered Accountant since 2008 and has over 15 years of experience.

Sabitha Ghanta aged 41 years is an Independent Director of our Company. She has been associated with our Company since November 11, 2023. She holds a bachelor's degree in law from Nagarjuna University. She has relevant experience in the legal field.

Subhash Lingareddi Somod aged 46 years is and Independent Director of our Company. He has been associated with our Company since January 05, 2024. He holds a bachelor's degree of Engineering in Mechanical from Swami Ramanand Teerth Marathwada University, Nanded, Maharashtra. He has over 17 years of experience in the areas of Construction, Supervision, Quality Control, Evaluation of HVAC System, Plumbing System, Fire Protection System, Irrigation System and Building Management System of Residential Building, Commercial Building and Industrial Building.

Borrowing Powers of the Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our shareholders at annual general meeting of our Company held on December 27, 2021, our Board has been authorized to borrow money as and when required, including without limitation, from any bank and/or other financial institution and/or foreign lender and/or any body corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of ₹25,000 lakhs for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and its free reserves of the Company.

Interests of our Directors

All our Directors may be deemed to be interested to the extent of remuneration, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment, including sitting fees payable to our Independent Directors for attending meetings of the Board or a committee thereof, please see section titled "– *Remuneration of the Directors*" on page 180. Our Directors may also be deemed to be interested to the extent of their direct or indirect shareholding or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives 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 or trustees, any dividend payable to them and other distributions in respect of such shareholding and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members.

For details of the Equity Shares held by our Directors, please see section titled "– *Shareholding of Directors*" below.

Our Managing Director, Kaushik Yalamanchili, is interested to the extent of the personal guarantees issued by them as security for certain our borrowings.

Except for Siva Lakshmanarao Kakarala who is the Promoter of the Company, none of our directors have any interest in the promotion of our Company as on the date of this Placement Document.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our directors are interested. No payments have been made to them in respect of any such contracts, agreements or arrangements, or are proposed to be made with them. As on the date of this Placement Document, none of the Directors or the Promoter has availed of any loan from our Company.

Except as disclosed below, our Company has not availed any loans from the Directors which are currently outstanding.

(in ₹ lakhs)

Sr. No.	Name of the Director	Amount of Loan
1.	Kaushik Yalamanchili	2,508.00

Relationship between Directors

None of our directors are related to each other.

Shareholding of Directors

Other than as set forth below, our directors do not hold any Equity Shares as on the date of this Placement Document:

Name	Number of Equity Shares	Percentage (%) of the pre-Issue issued and paid-up share capital
Siva Lakshmanarao Kakarala	16,346,191	7.38

Terms of appointment of Executive Directors

Kaushik Yalamanchili

Kaushik Yalamanchili was appointed as our Chairman and Managing Director for a period of three years pursuant to a resolution passed by our shareholders in the Annual General Meeting dated December 27, 2021. Pursuant to the terms of his appointment, he is entitled to remuneration of ₹24.00 lakhs per annum.

Sivanand Swamy Mitikiri

Sivanand Swamy Mitikiri was appointed as our Whole-time Director for a period of one year pursuant to a resolution passed by our shareholders in the Annual General Meeting dated August 18, 2023. Pursuant to the terms of his appointment, he is entitled to remuneration of ₹12.00 lakhs per annum. Further, he is also entitled for reimbursement of entertainment and other expenses incurred by him in the ordinary course of business of our Company.

Remuneration of the Directors

A. Executive Directors

The following tables sets forth the remuneration (including commission and perquisites) paid to, or provided for, by our Company to our Executive Directors during Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

Name	Fiscal 2024	Fiscal 2023	Fiscal 2022
Kaushik Yalamanchili	24.00	24.00	13.00
Sivanand Swamy Mitikiri	10.00	2.05	NA

For further details of compensation paid to our executive directors, please see section titled "*Financial Statements*" on page 234.

B. *Non-Executive Director and Independent Directors.*

Pursuant to a resolution of our Board dated November 12, 2021, our Independent Directors are entitled to a sitting fee of ₹10,000/- for attending each meeting of our Board and ₹5,000/- for attending each meeting of the committees constituted by our Board, including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and the Independent Director's meeting. The following table set forth the sitting fees paid to, or provided for, by our Company to our Non-Executive Director and Independent Directors during Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

Particulars	Sitting Fees		
	Fiscal 2024	**Fiscal 2023**	**Fiscal 2022**
Upadhyayula Karuna Gayathri	0.80	0.50	1.60
Srinivas Rao Kolli	1.05	0.95	0.20
Sabitha Ghanta	0.35	NA	NA
Subhash Lingareddi Somod	0.20	NA	NA

No payment was received by our Non-Executive Director either by way of sitting fees, commission, bonus, pension, incentives etc.

Corporate Governance

The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

As on the date of this Placement Document, we have seven (7) Directors on our Board, which comprises one (1) Managing Director, one (1) Whole-time Director, one (1) Non-Executive Director and Four (4) Independent Directors Further, we have two (2) women Independent Directors. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and Companies Act in relation to the composition of our Board and the constitution of committees thereof.

Committees of our Board of Directors

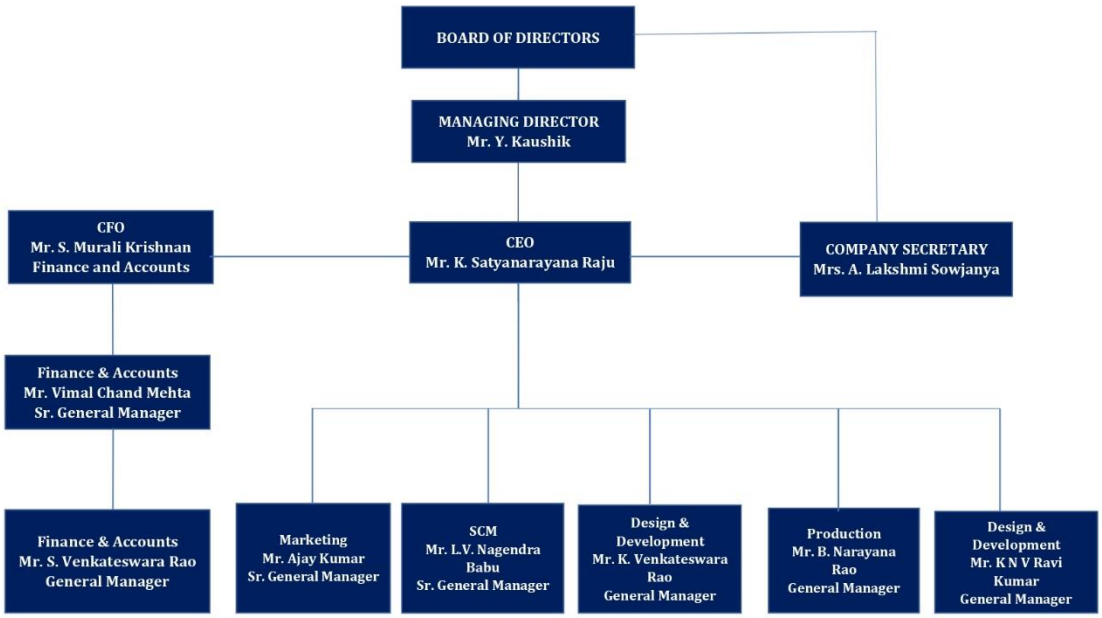
Our Company has constituted the following nine committees in terms of the SEBI Listing Regulations and the Companies Act, each of which functions in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations, as applicable:

(i) Audit Committee;
(ii) Stakeholders' Relationship Committee;
(iii) Nomination and Remuneration Committee;
(iv) Management Committee and
(v) CSR Committee
The details of these committees are as follows:

Sr.	Committee	Name and Designation of Members
1.	Audit Committee	Srinivas Rao Kolli – Chairman. Upadhyayula Karuna Gayatri – Member; and Kaushik Yalamanchili – Member.
2.	Stakeholders' Relationship Committee	Srinivas Rao Kolli – Chairman. Kaushik Yalamanchili – Member; and Sabitha Ghanta – Member.
3.	Nomination and Remuneration Committee	Upadhyayula Karuna Gayathri - Chairman Srinivas Rao Kolli -Member; and Sabitha Ghanta - Member
4.	Management Committee	Kaushik Yalamanchili – Chairman. Srinivas Rao Kolli - Member; and Sivanand Swamy Mitikiri - Member
5.	CSR Committee	Kaushik Yalamanchili – Chairman. Sivanand Swamy Mitikiri – Member; and Subhash Lingareddi Somod - Member

Management Organization Structure

Set forth is the management organization structure of our Company:



Key Managerial Personnel

In addition to our Chairman and Managing Director and our Whole-Time Director, the key management personnel of our Company as on the date of this Placement Document are as set forth below:

Sr.	Name	Designation	Experience with our Company
1.	Kalidindi Satyanarayana Raju	Chief Executive Officer (CEO)	10 months
2.	Sadasivan Muralikrishnan Madurai	Chief Financial Officer (CFO)	2 years 7 months
3.	Lakshmi Sowjanya Alla	Company Secretary and Compliance Officer	1 Year

Brief Profiles of our Key Managerial Personnel

Kalidindi Satyanarayana Raju is the Chief Executive Officer of our Company. He holds a diploma in Mechanical Engineering. He has been associated with our Company since July 20, 2023.

Sadasivan Muralikrishnan Madurai is the Chief Financial Official of our Company. He is an associate member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He has more than 20 years of experience. He was earlier associated with VGN Homes Private Limited and Patil Rail Infrastructure Private Limited. He has been associated with our Company since October 01, 2021.

Lakshmi Sowjanya Alla is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since May 27, 2023. She holds a master's degree in computer applications. She holds a bachelor's degree in law from Acharya Nagarjuna University and is an associate member of the Institute of Company Secretaries of India. She has more than 7 years of experience. She was earlier associated with YSK Developers Private Limited, Kanakadurga Finance Limited, Hyundai Transys India Private Limited, and Sai Silk (Kalamandir) Limited.

Senior Management

In addition to our Key Managerial Personnel, the details of our senior management personnel as on the date of this Placement Document are as set forth below:

Sr.	Name	Designation	Experience with our Company
1.	B. Narayana Rao	General Manager - Production	One year seven months
2.	D. Ajay Kumar	Senior General Manager - Marketing	Seven months
3.	S. Venkateswara Rao	General Manager – Finance & Accounts	Three years three months
4.	K. Venkateswara Rao	General Manager – Design & Development	Three years seven months
5.	L. V. Nagendra Babu	Senior General Manager - SCM	One year eleven months
6.	KNV Ravi Kumar	General Manager – Power Electronics (D&D)	Four Months
7.	Vimal Chand Mehta	Senior General Manager – Finance & Accounts	Three Months

Relationship

None of our Key Managerial Personnel or Senior Management Personnel are related to each other.

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel and Senior Management holds any Equity Shares as on the date of this Placement Document.

Sr. No	Name	Designation	No. of Equity Shares held	Percentage (%) of the pre-Issue issued and paid-up share capital
1.	Lakshmi Sowjanya Alla	Company Secretary and Compliance Officer	300	0.00
2.	S. Venkateswara Rao	General Manager - Finance & Accounts	350	0.00
3.	K. Venkateswara Rao	General Manager – Design & Development	64,215	0.03

Interest of Key Managerial Personnel and Senior Management

Except as stated in *"– Interest of our Directors*" above and in "*Related Party Transactions*" on page 42, and to the extent of their shareholding in our Company, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business, our Key Managerial Personnel and Senior Management do not have any other interest in our Company.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Key Managerial Personnel or members of the Senior Management are interested.

None of the Key Management Personnel or Senior Management has taken any loans from our Company. Further, as disclosed under "-*Interest of Directors*" above, our Company has not availed any loans from the Key Management Personnel or the Senior Management which are currently outstanding.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Company Secretary acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Other confirmations

Except as otherwise stated above in "– *Interests of our Directors*" and "– *Interest of Key Managerial Personnel and Senior Management*", none of our Directors or Key Managerial Personnel or Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons

Neither our Company, our Wholly Owned Subsidiary nor any of our Promoters or Directors have been identified as wilful defaulters or fraudulent borrowers, as defined under the SEBI ICDR Regulations.

Neither our Company, our Wholly Owned Subsidiary nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

None of our Promoters or Directors are promoter or director of any company which is on the dissemination board.

None of our Directors, Promoters Key Management Personnel or Senior Management Personnel of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

SHAREHOLDING PATTERN OF OUR COMPANY

The tables below represent the information regarding the ownership of Equity Shares by the Shareholders as of March 31, 2024

Summary of statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting right	No. of shares pledged or otherwise encumbered		No. of equity shares held in dematerialised form	Sub-categorization of shares (XV		
										Shareholding (No. of shares) under		
							No. (a)	As a % of total shares held (b)		Sub-Category I	Sub-Category II	Sub-Category III
(A) Promoter & Promoter Group*	2	16,51,82,593	16,51,82,593	74.59	16,51,82,593	74.59	33,77,000	2.04	16,51,82,593	-	-	-
(B) Public	87,333	5,62,63,750	5,62,63,750	25.41	5,62,63,750	25.41	-	0.00	5,57,55,733	-	-	-
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C)Non-Promoter Non-Public	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
Grand Total	**87,335**	**22,14,46,343**	**22,14,46,343**	**100.00**	**22,14,46,343**	**100.00**	**33,77,000**	**1.52**	**22,09,38,326**	**-**	**-**	**-**

** As on the date of this Placement Document our Corporate Promoter holds 1,46,356,456 shares. Further our Corporate Promoter has sold 24,72,946 shares on various dates after March 31, 2024, on market.*

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Entity type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	Number of voting rights held in each class of securities		Number of shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
						No. (a)	As a % of total shares held (b)	Class eg. X	Total	
A1) Indian	-	-	-	-	0.00	-	0.00	-	0.00	-
Individuals / Hindu undivided family	**-**	**1**	**1,63,53,191**	**1,63,53,191**	**7.38**	**1,63,53,191**	**7.38**	**1,63,53,191**	**100.00**	**1,63,53,191**
Kakarala Siva Lakshmana Rao	Promoter	1	1,63,53,191	1,63,53,191	7.38	1,63,53,191	7.38	1,63,53,191	100.00	1,63,53,191
Any other (specify)	**-**	**1**	**14,88,29,402**	**14,88,29,402**	**67.21**	**14,88,29,402**	**67.21**	**33,77,000**	**2.27**	**14,88,29,402**
RRK Enterprise Private Limited*	Promoter	1	14,88,29,402	14,88,29,402	67.21	14,88,29,402	67.21	33,77,000	2.27	14,88,29,402
Sub Total A1	**-**	**2**	**16,51,82,593**	**16,51,82,593**	**74.59**	**16,51,82,593**	**74.63**	**33,77,000**	**2.04**	**16,51,82,593**
A2) Foreign	-	-	-	-	0.00	-	0.00	-	0.00	-
A=A1+A2	**-**	**2**	**16,51,82,593**	**16,51,82,593**	**74.59**	**16,51,82,593**	**74.59**	**33,77,000**	**2.04**	**16,51,82,593**

** As on the date of this Placement Document our Corporate Promoter holds 1,46,356,456 shares. Further our Corporate Promoter has sold 24,72,946 shares on various dates after March 31, 2024, on market.*

Statement showing shareholding pattern of the Public Shareholder

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (no. of shares) under		
								Sub-Category I	Sub-Category II	Sub-Category III
B1) Institutions	**0**	**0**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	
B2) Institutions (Domestic)	**0**	**0**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**-**
B3) Institutions (Foreign)	0	0	-	0.00	-	0.00	-	-	-	-
Foreign Portfolio Investors Category I	1	4,518	4,518	**0.00**	4,518	0.00	4,518			
Sub Total B2	**1**	**4,518**	**4,518**	**0.00**	**4,518**	**0.00**	**4,518**			
B4) Central Government/ State Government(s)/ President of India	**0**	**0**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**-**
B5) Non-Institutions	**0**	**0**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**-**	**-**
Resident individuals holding nominal share capital up to ₹. 2 lakhs	86,399	3,52,12,608	3,52,12,608	15.90	3,52,12,608	15.90	3,51,28,477	-	-	-
Resident individuals holding nominal share capital in excess of ₹. 2 lakhs	34	94,15,240	94,15,240	4.25	94,15,240	4.25	90,75,397	-	-	-
Non Resident Indians (NRIs)	705	13,65,791	13,65,791	0.62	13,65,791	0.62	12,89,588	-	-	-
Bodies Corporate	183	1,02,43,180	1,02,43,180	4.63	1,02,43,180	4.63	1,02,43,180	-	-	-
Arkay Energy (Rameswarm) Limited	1	22,50,000	22,50,000	1.02	22,50,000	1.02	22,50,000	-	-	-

Category and name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	No. of voting rights	Total as a % of total voting rights	No. of equity shares held in dematerialised form (Not Applicable)	Sub-categorization of shares (XV)		
								Shareholding (no. of shares) under		
								Sub-Category I	Sub-Category II	Sub-Category III
Malaxmi Property Ventures India Private Limited	1	24,35,839	24,35,839	1.10	24,35,839	1.10	24,35,839			
Any other (specify)	10	21,113	21,113	0.01	21,113	0.01	13,273	-	-	-
Sub Total B4	87,332	5,62,59,232	5,62,59,232	25.41	5,62,59,232	25.41	5,57,51,215	-	-	-
B=B1+B2+B3+B4	**87,333**	**5,62,63,750**	**5,62,63,750**	**25.41**	**5,62,63,750**	**25.41**	**5,57,55,733**	**-**	**-**	**-**

Statement showing the shareholding pattern of the Non-Promoter Non-Public Shareholder

Category and name of the shareholder (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. of shares held (VII=IV+V+VI)	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialised form (XIV) (Not applicable)
C1) Custodian/ DR Holder	0	0	-	0.00	-
C2) Employee Benefit Trust	0	0	-	0.00	-

Details of Disclosure by Trading Members (TM) holding 1% or more of the Total no. of Shares

Sl. No.	Name of the trading member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	NIL	NIL	NIL	NIL	NIL

Statement showing details of significant beneficial owners

Sr. No.	Details of the SBO (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III)					Date of creation / acquisition of significant beneficial interest# (IV)
					Whereby virtue of:					
	Name	Nationality	Name	Nationality	Shares	Voting Rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1	Kaushik Yalamanchili	India	RRK Enterprise Private Limited	India	98	98	-	Yes	Yes	25/03/2022

** In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories*

Statement showing foreign ownership limits

Particulars	Approved Limits %	Limits Utilized %
As on shareholding date	100.00	0.62

As on the end of previous 1st quarter	100.00	0.60
As on the end of previous 2nd quarter	100.00	0.61
As on the end of previous 3rd quarter	100.00	0.62
As on the end of previous 4th quarter	100.00	0.62

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLM. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Prospective Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. For further details, please see sections titled "Selling Restrictions" and "Transfer Restrictions" on pages 206 and 214, respectively.

Our Company, the BRLM and their directors, shareholders, employees, counsel, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THIS ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of Companies Act, 2013, our Company, Equity Shares to Eligible QIBs, provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must specify that (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through this Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer cum application letter and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- in accordance with the SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be made only in dematerialized form;

- the Promoter and Directors of our Company are not fugitive economic offenders;

- the Promoters or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any previous offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer made, as permitted under the Companies Act, 2013, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the Equity Shares of our Company allotted pursuant to the allotments with respect to any previous offer or invitation made by our Company are validly listed and traded on BSE and NSE.

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., the Preliminary Placement Document), our Company had prepared and recorded a list of Eligible QIBs to whom this Issue was made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about this Issue is prohibited.

- At least 10.00% of the Equity Shares issued to Eligible QIBs were Allotted to Mutual Funds.

Bidders are not allowed to withdraw or revise their Bids downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Management Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the approval of the Shareholders through postal ballot on October 10, 2023, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving this Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, please see section titled **"–** *Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 204.

The Equity Shares issued pursuant to this Issue shall be issued on the basis of the Preliminary Placement Document and this Placement Document that contains all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on this Placement Document or Placement

Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board of Directors on September 6, 2023, and approved by our Shareholders through postal ballot on October 10, 2023.

The minimum number of Allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50.00% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of this Issue. For details of what constitutes "same group" or "common control", please see section titled "— *Bid Process—Application Form*" on page 199.

Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on floor of recognised stock exchange.

Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE dated June 03, 2024. We have filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States (as defined in Regulation S) in reliance on Regulations S. For the selling restrictions in certain other jurisdictions, please see section titled "*Selling Restrictions*" on page 206. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions set forth under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively.

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.

Issue Procedure

On and from the Issue Opening Date, our Company in consultation with the BRLM had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form and shall circulate serially numbered copies of this Placement Document, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the serially numbered copies of the Preliminary Placement Document and this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules

1. **The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document**

and the serially numbered Application Form have been delivered, has been determined by our Company in consultation with the BRLM, at their sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount is to be deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

2. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid / Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid / Issue Closing Date. In case of an upward revision before the Bid / Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the application form and a copy of the PAN card or PAN allotment letter, during the Bid/Issue Period to the BRLM.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, phone number, permanent account number, e-mail address and bank account details;
- number of Equity Shares Bid for;
- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue;
- Equity Shares held by the Bidder in our Company prior to the Issue;
- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the U.S. Securities Act; and
- a representation that it is outside the United States and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 4 and "*Transfer Restrictions*" on page 214 and certain other representations made in the Application Form.

Note: Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*MIC Electronics Limited - QIP ESCROW ACCOUNT 2024*" with the Escrow Agent within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares should have been made from the bank accounts of the relevant Bidders and our Company was required to keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder were not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid/Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in *"– Refunds"* on page 204.

6. Once a duly completed Application Form was submitted by a Bidder, whether signed or not and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer, and the Bid could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case of upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledged that in accordance with the requirements of the Companies Act, upon Allocation, our Company disclosed the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consented to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/Issue Closing Date, our Company, in consultation with the BRLM, determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation., The BRLM, on behalf of our Company, sent the serially numbered CAN and Placement Document to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated and the Refund Amount (if any) due to the Successful Bidders. **Please note that the Allocation has been at the absolute discretion of our Company, in consultation with the BRLM.**

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, sent a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary

account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to this Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "– *Refunds*" on page 204.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to this Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules have been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in this Issue and also as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹25,000 lakhs 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;
- provident funds with minimum corpus of ₹25,000 lakhs;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;

- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;

- venture capital funds registered with SEBI; and

- systemically important non-banking financial companies,

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES, IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) is not permitted to exceed 10% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10.00% of the post-Issue total paid-up Equity Share capital of our Company

Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates. The existing aggregate investment limit for FPIs in our Company is 0.61% which is not exceeding the sectoral cap i.e., 100.00% of the post issue of the paid-up capital of our Company.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be reclassified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars / public

notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of our Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company, which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the BRLM and any of their respective shareholders, employees, counsel, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under-subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only to use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB were deemed to have made all the following representations, warranties, acknowledgements and undertakings given or made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 4, 206 and 214, respectively:

- Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

- Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any equity shares which shall not be deemed to be a person related to the Promoters;

- Each Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

- Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- Each Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- Each Eligible QIB confirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to this Issue, if any. Each Eligible QIB further confirms that its holding of the Equity Shares, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

- Each Eligible QIB confirms that in the event it is resident outside India, it is not an FVCI;

- Each Eligible QIB confirms that its Bids would eventually not result in triggering an open offer under the SEBI Takeover Regulations;

- Each Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid / Issue Closing Date;

- Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- Each Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company has disclosed the names of proposed Allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in this Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall

continue to be at the sole discretion of our Company in consultation with the BRLM;

- Each Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50.00% of the Issue. For the purposes of this representation:

  a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

  b. "Control" shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S and is not our affiliate or a person acting on behalf of such an affiliate.

- Each Eligible QIB acknowledges, represents and agrees that their total voting right in our Company does not exceed 10.00% of the total issued share capital of our Company.

- Each Eligible QIB acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- Each Eligible QIBs confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS AN ELIGIBLE "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ ISSUE CLOSE DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address, and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form, whether signed or not, and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was deposited in the Escrow Account as is specified in the Application Form and the Application Form was submitted to the BRLM either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact person	Email	Telephone
IDBI Capital Markets & Securities Limited	6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India	Subodh Gandhi	projectdap@idbicapital.com	+91 22 2217 1953

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Bidders submitting a Bid in the Issue, shall pay the entire Bid Amount within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "*MIC ELECTRONICS LIMITED - QIP ESCROW ACCOUNT 2024*" with Escrow Bank, in terms of the Escrow Agreement. Each Bidder will be required to deposit the entire Bid Amount payable for the Equity Shares applied by it with the submission of the Application Form and during the Bidding period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments through cheque or demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*MIC ELECTRONICS LIMITED-QIP ESCROW ACCOUNT 2024*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "-*Refunds*" on page 204.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the IT Act in the Application Form. A copy of PAN card was required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the Income tax Act, 1961. Applications without this information were considered incomplete and were liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Application Amount was being made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within

the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Price Determination and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company, in consultation with the BRLM, may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to a resolution passed through postal ballot on October 10, 2023.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed such document with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company has determined the Allocation on a discretionary basis in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Eligible QIBs was required to be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10.00% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Bid Amount, our Company in their sole and absolute discretion, in consultation with the BRLM, have decided the Successful Bidders to whom the serially numbered CAN has dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount for the Equity Shares Allotted and the Refund Amount (if any) has been notified to such Successful Bidders.

The Successful Bidders have also been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would be deemed to have made the representations and warranties as set forth in "*Notice to Investors*" and "*Representation by Investors*" on pages 1 and 4, respectively, and such Eligible QIBs shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock

Exchanges.

Designated Date and Allotment of Equity Shares

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for obtaining listing approvals. Post receipt of listing approvals and credit of Equity Shares into the beneficiary accounts of the Eligible QIBs, our Company will apply for the trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5.00% of the Equity Shares offered in this Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in this Placement Document.

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment under Form PAS 3 in connection with the Issue with the RoC within the prescribed timelines under the Companies Act, 2013.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed such document with the Stock Exchanges as this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Successful Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Successful Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid / Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Successful Bidders within two Working Days from the date of issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of the Bid Amount, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12.00% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Right to Reject Applications

Our Company, in consultation with the BRLM, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the bidder is refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For further details please see sections titled – "*Bid Process*" and – "*Refund*" on pages 199 and 204, respectively.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialized form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment under Form PAS 3 in connection with the Issue with the RoC within the prescribed timelines under the Companies Act, 2013.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLM and our Company have entered into the Placement Agreement dated June 12, 2024, pursuant to which the BRLM have agreed, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by our Company outside the United States, in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers, and sales occur.

For further details, please see sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 206 and 214, respectively.

Relationship with the BRLM

In connection with the Issue, the BRLM (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the BRLM (or its affiliates) may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLM may purchase Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of Offshore Derivative Instruments, for further details, please see section titled "*Offshore Derivative Instruments*" on page 10.

From time to time, the BRLM and its affiliates may have engage in or may in further engage in transactions with and perform services including but not limited to investment banking, advisory services relating to debt syndication and any other transactions in this regards with our Company, affiliates, the shareholders or their respective associates and affiliates, for which fees and commission have been paid or will be paid to the BRLM and its affiliates.

Lock-up

The Equity Shares of the Company and the Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations the Companies Act and Rule 14 of the PAS Rules. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under sections entitled "Notice to Investors" and "Representations by Investors" on pages 1 and 4, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. This Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under the section entitled *"Transfer Restrictions"* on page 214.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

The Preliminary Placement Document and this Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. The Preliminary Placement Document and this Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of the Preliminary Placement Document and this Placement Document, and any offers made under the Preliminary Placement Document and this Placement Document you represent to our Company and the Book Running Lead Manager that you will not provide the Preliminary Placement Document and this Placement Document or communicate any offers made under the Preliminary Placement Document and this Placement Document to, or make any applications or receive any offers for the Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the Book Running Lead Manager) under this Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in the Preliminary Placement Document and this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. The Preliminary Placement Document and this Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Issuer has not made and will not make any invitation to the public in the Kingdom of Bahrain and the Preliminary Placement Document and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency has not reviewed, nor has it approved, the Preliminary Placement Document and this Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "BVI Company"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands. The Preliminary Placement Document and this Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

The Preliminary Placement Document and this Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China except under applicable laws and regulations of the People's Republic of China.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to this Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus

Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Equity Shares shall require the Issuer or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Book Running Lead Manager and our Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in this Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant Member State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager have been obtained to each such proposed offer or resale. Our Company, its directors, the Book Running Lead Manager, their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be offered or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.
If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article

23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Republic of Korea

We are not making any representation with respect to the eligibility of any recipients of this document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Kuwait

The Preliminary Placement Document and this Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as

may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of the Preliminary Placement Document is subject to Malaysian laws. The Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Preliminary Placement Document and this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or offered to the public in Mauritius or used in connection with any such offer. The Preliminary Placement Document and this Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

The Preliminary Placement Document and this Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Sultanate of Oman

The Preliminary Placement Document and this Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof. This Issue does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of Oman CMA. Additionally, the Preliminary Placement Document and this Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of the Preliminary Placement Document and this Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the CMAL) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar (excluding the Qatar Financial Centre)

The Preliminary Placement Document and this Placement Document and the offering of the Equity Shares have not been, and will not be: (i) lodged or registered with, or reviewed or approved by, the Qatar Central Bank, the Qatar Financial Markets Authority the Ministry of Business and Trade or any other governmental authority in

the State of Qatar or (ii) authorized, permitted or licensed for offering or distribution in Qatar, and the information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect to the Equity Shares in the State of Qatar. Accordingly, the Equity Shares are not being, and will not be, offered, issued or sold in the State of Qatar, and this document is not being, and will not be, distributed in the State of Qatar. The offering, marketing, issue and sale of the Equity Shares and distribution of the Preliminary Placement Document and this Placement Document is being made in, and is subject to the laws, regulations and rules of jurisdictions outside of the State of Qatar. No application has been or will be made for the Equity Shares to be listed or traded on the Qatar Exchange or the QE Venture Market.

The Preliminary Placement Document and this Placement Document is strictly private and confidential, and is being sent to a limited number of institutional and/or sophisticated investors (a) upon their request and confirmation that they understand the statements above; and (b) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

Qatar Financial Centre

The Preliminary Placement Document and this Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Equity Shares are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

The Preliminary Placement Document and this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")), (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which

is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. The Preliminary Placement Document and This Placement Document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Equity Shares or this Issue or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and this Issue will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and this Issue has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

The Equity Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Equity Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Equity Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with this Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Preliminary Placement Document and this Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. The Preliminary Placement Document and this Placement Document are strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

1. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

2. made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see sections entitled "*Representations By Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 4, 206 and 214, respectively.

Other Jurisdictions

The distribution of the Preliminary Placement Document and this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession the Preliminary Placement Document and this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue is not permitted to be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Due to the following restrictions, investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. Accordingly, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Equity Shares. For further details, please see section titled "*Selling Restrictions*" on page 206.

U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares to be issued pursuant to the Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted, agreed and acknowledged as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States (within the meaning of Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (within the meaning of Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It will not hold any of the Company or the Book Running Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

It acknowledges that our Company, the Book Running Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, acknowledgements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the Book Running Lead Manager. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act, SEBI ICDR Regulations, the SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and stock exchanges The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of

the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to the provisions of the SCRR, all listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25.00%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25.00% at any time, such company shall bring the public shareholding to 25.00% within a maximum period of 12 months from the date of such public shareholding having fallen.. Further, every listed public sector company whose public shareholding falls below 25.00% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25.00%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 5%, 10% and 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform,

BOLT Plus. The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations, which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures (SDD).

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"). The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, members of the promoter group, employees and directors with respect to their shareholding in the company, and

the changes therein. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. SEBI Insider Trading Regulations prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained containing the nature of unpublished price sensitive information, the names and details of person who have shared the information and the names and details persons with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares

Share capital

The Authorised Share Capital of the Company is ₹75,00,00,00 (Rupees Seventy five crores only) divided into 37,50,00,000 (Thirty seven crores and fifty lakhs only) Equity Shares of ₹2 (Two) each. For further details, please see section titled "*Capital Structure*" on page 86.

Dividends and Reserves

Under the Companies Act, a company may pay dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. In addition, as is permitted by the Articles of Association, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares as appear to be justified by the profits of the Company and at such times as it may think fit.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Pursuant to the Articles of Association of our Company, where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account".

Further, 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 Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid-up bonus shares to its members out of (a) the free reserves of the company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalise its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting,

(c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus, and (e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

Our Company may by a resolution passed in a general meeting of the Shareholders, upon a recommendation by the Board, resolve to capitalise any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the statement of profit and loss and that such sum be available for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions. The aforesaid sum shall not be paid in cash but shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and/or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a share premium account and a capital redemption reserve fund may, be applied in the paying up of any unissued shares to be issued to members of our Company as fully paid bonus shares.

Alteration of Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, 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, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its share capital into shares of larger denomination than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. Further, our Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.

General meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM *suo motu* when it deems fit. Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95.00% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are

entitled to vote and who represent not less than 95.00% of the paid up share capital of the company. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with, unless exempted by appropriate authority.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Pursuant to the terms of our Articles of Association, and subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member holding equity shares present in person or proxy shall have one vote; and (b) on a poll or voting through electronic means, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of our Company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than 3 and not more than 15. The Articles of Association also permit our Directors to appoint any other person as a director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Buy-back

Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act 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.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Winding Up

In the event of our winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst 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. 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. 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 if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

To,

The Board of Directors
MIC Electronics Limited
Plot No. 192/B, Phase II, IDA
Cherlapally, Hyderabad-500051,
Rangareddi, Telangana, India

Sub: Qualified Institutions Placement of equity shares of face value Rs. 2 each ("Equity Shares") by MIC Electronics Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013 (the qualified institutions placement to be referred to as the "Issue")

This certificate is issued in accordance with our engagement letter dated November 1, 2023, with the Company in relation to the Issue.

We, Bhavani & Co., Chartered Accountants, (Firm Registration Number: 012139S), statutory auditor of the Company, hereby confirm that the enclosed **Annexure A**, accurately and adequately states the possible special tax benefits available to the Company and to its shareholders under the direct and indirect taxes presently in force in India ("**Tax Laws**"). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its shareholders may or may not choose to fulfill such conditions.

The special tax benefits discussed in the enclosed **Annexure A** are not exhaustive or conclusive and cover the possible special tax benefits available to the Company, its shareholders and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue. Neither we are suggesting nor advising investors to invest money based on this statement.

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

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

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We have issued this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the '**Guidance Note'**) issued by the Institute of Chartered Accountants of India (the '**ICAI**'). The Guidance Note requires that we comply with the independence and ethical requirements of the Code of Ethics issued by the ICAI.

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

The enclosed statement is issued in connection with the Issue and the contents of the statements, in full or in part, can be disclosed in the Preliminary Placement Document, this Placement Document and other documents or materials in relation to the Issue.

We undertake to inform you promptly, in writing of any changes, within our knowledge, to the above information until the Equity Shares issued by the Company pursuant to issue commence trading on **Stock Exchanges**. In the

absence of such communication from us, the above information should be considered as updated information until the Equity Shares issued pursuant to the Issue, commence trading on the Stock Exchanges.

This certificate may be relied upon by the addressees to this certificate and the legal counsel appointed for the purpose of the Issue. We hereby consent to extracts of, or reference to, this certificate being used in the Preliminary Placement Document and this Placement Document to be filed in relation to the Issue. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the BRLM in connection with the Issue, in accordance with applicable law.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Preliminary Placement Document and Placement Document to be filed in relation to the Issue.

For Bhavani & Co
Chartered Accountants
Firm Registration Number: 012139S
Peer Review Number: 015567
UDIN: 24229966BKBLWJ9434

CA S Kavitha Padmini
Partner
(Membership Number: 229966)
Place: Hyderabad
Date: May 30, 2024
Encl: Annexure A

Annexure A

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (ACT), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS.

Sr. No.	Particulars	Direct Tax	Indirect Tax
I.	Special tax benefits available to the Company	Nil	Nil
II.	Special tax benefits available to Shareholders	Nil	Nil

STATUTORY AUDITORS

Our Company's current Statutory Auditor, M/s. Bhavani & Co., Chartered Accountants is an independent auditor with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and has been appointed as the statutory auditor of our Company, pursuant to the approval of the shareholders of our Company at the AGM held on December 27, 2021, for a term of 5 years commencing from the conclusion of the 38th AGM of our Company.

M/s. Bhavani & Co., Chartered Accountants, have audited the Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements which are included in this Placement Document in "*Financial Statements*" on page 234.

M/s. Bhavani & Co., Chartered Accountants, have audited the Fiscal 2022 Audited Standalone Financial Statements, Fiscal 2023 Audited Standalone Financial Statements and Fiscal 2024 Audited Standalone Financial Statements which are included in this Placement Document in "*Financial Statements*" on page 234.

LEGAL PROCEEDINGS

We involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of criminal cases, civil case, tax proceedings etc. We assess each such legal proceedings filed by or against us and monitor the legal position on an ongoing basis.

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated August 01, 2018 and subsequently amended pursuant to a resolution of our Board dated November 11, 2023 ("**Materiality Policy**").*

However, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable:

(i) All outstanding criminal proceedings involving our Company, our Promoters and our Directors;

(ii) All outstanding actions by statutory or regulatory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) which is outstanding and involves our Company, our Promoters and our Directors;

*(iii) Any outstanding civil litigations involving our Company, our Promoters and our Directors, where the amount involved in such proceedings exceeds ₹11.78 lakhs i.e. 2% of total turnover, as per the Audited Standalone Financial Statement of the Company as on March 31, 2024, on a consolidated basis ("**Materiality Threshold**");*

(iv) Consolidated disclosure of the direct and indirect tax matters involving our Company, our Promoters and our Directors; and

(v) Any other outstanding litigation involving our Company wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company.

Except as disclosed elsewhere, this section of this Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Placement Document involving our Company and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company; (ii) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of this Placement Document and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any, will be disclosed; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Promoters or our Directors as the case may be, from third parties (excluding statutory/regulatory/governmental authorities or notices threatening criminal action) shall not, unless otherwise decided by the board of directors of the Company, be considered material until such time that the relevant party, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Capitalised terms used herein shall, unless otherwise specified, have the same meanings ascribed to such terms in this section.

I. Litigations involving our Company

A. Criminal Proceedings involving our Company

Criminal Proceedings filed by our Company

As on the date of this Placement Document, there are no outstanding criminal proceedings filed by our Company.

Criminal Proceedings filed against our Company

As on the date of this Placement Document, there are no outstanding criminal proceedings filed against our Company.

B. Material Civil Proceedings involving our Company

Civil Proceedings filed by our Company

1. Our Company **("Plaintiff")** filed an arbitration suit bearing no. ARB OP 1873 of 2022 before the Arbitral Tribunal at Hyderabad against Union of India represented by its Secretary to the Government, Telecommunications and 3 others ("**Defendant**") for recovery of cost of manufacture as per purchase order amounting to ₹332.88 lakhs. The learned Arbitrator awarded ₹80.00 lakhs with all the reliefs vide award dated June 16, 2002 ("**Arbitral Award**"). The Defendant filed an appeal against the Arbitral Award before XIV Additional Chief Judge, Hyderabad ("**Court**"). The Court passed a decree dated October 19, 2005, thereby but reducing the monetary compensation to ₹20.00 lakhs with all the reliefs. Thereafter, the aggrieved Defendant filed an appeal bearing no. CMA 377 of 2006 before Hon'ble High Court, Hyderabad. The Hon'ble High Court, Hyderabad remitted the said case for fresh disposal by XIV Addl Chief Judge, Hyderabad. Both the parties have submitted the written arguments to the court. The matter is currently pending for hearing.

2. Our Company **("Plaintiff")** filed an arbitration suit bearing no. ARB OP 1871 of 2002 before the Arbitral Tribunal at Hyderabad against Union of India represented by its Secretary to the Government, Telecommunications and 3 others **("Defendant")** for recovery of cost of manufacture as per purchase order amounting to ₹316.27 lakhs. The learned Arbitrator awarded ₹55.00 lakhs with all the reliefs vide award dated July 28, 2002 ("**Arbitral Award**"). The Defendant filed an appeal against the Arbitral Award before XIV Additional Chief Judge, Hyderabad ("**Court**"). The Court passed a decree dated October 19, 2005, thereby reducing the monetary compensation to ₹20.00 lakhs with all the reliefs. Thereafter, the aggrieved Defendant filed an appeal bearing no. CMA 378 of 2006 before Hon'ble High Court, Hyderabad. The Hon'ble High Court remitted the Arbitration OP for fresh disposal by XIV Additional Chief Judge, Hyderabad. Both the parties have submitted the written arguments to the court. The matter is currently pending for hearing.

3. Our Company **("Plaintiff")** filed a Writ Petition no. 10618 of 2022 before the Hon'ble High Court of Bombay against the Bank of Maharashtra **("Defendant")** for encashment of Bank Guarantees amounting to ₹4,000.00 lakhs. The Hon'ble High Court of Bombay pronounced the injunction order against the invocation of Bank Guarantees and dismissed the case. And The Bank Guarantees are renewed up to February 17, 2025. Subsequently, the Plaintiff filed a special leave petition before the Hon'ble Supreme Court of India against the order passed by Hon'ble High Court of Bombay. The matter is currently pending for hearing.

4. Our Company **("Plaintiff")** filed a Writ Petition no 22382 of 2021 before the Hon'ble High Court of Bombay against the Bank of Maharashtra **("Defendant")** for encashment of Bank Guarantees amounting to ₹4,000.00 lakhs. The Hon'ble High Court of Bombay pronounced the injunction order against the invocation of Bank Guarantees and dismissed the case. The Bank Guarantees are renewed up to February 17, 2025. Subsequently, the Plaintiff filed a special leave petition before the Hon'ble Supreme Court of India against the order passed by Hon'ble High Court of Bombay. The matter is currently pending for hearing.

Civil Proceedings filed against our Company.

1. The Nashik Municipal Corporation ("**Plaintiff**") filed before the Hon'ble Principal District Judge, Nashik against our Company ("**Defendant**") after terminating a contract relating LED lighting. The Plaintiff contended that the BGs were obtained by fraud and the quality of the product was not up to the mark and accordingly a suit was filed before Principal District Judge, Nashik for injunction against invocation of BGs. The Honourable court had directed the parties to commence Arbitral proceedings within 90 days from the date of order dated March 8, 2019. The matter was referred to Arbitration on March 19, 2022. Oral arguments from both the parties heard on or between March 11 and March 15, 2024 and time for submission of written arguments given upto April 30, 2024.The matter is currently pending for final order.

C. Tax proceedings involving our Company

As on the date of this Placement Document, there are no tax proceedings involving our Company.

D. Actions taken by Regulatory and Statutory Authorities against our Company

1. The assistant provident fund commission, EPFO ("**EPFO Commissioner**") has passed an order dated April 5, 2024 ("**Order**") under section 7Q of Employee Provident Fund and Miscellaneous Act, 1952 against our Company alleging that the Company is liable to interest for delay in payment of EPF contributions amounting to of ₹48.91 lakhs and also levied a interest of ₹26.97 lakhs. Being aggrieved by the order dated April 5, 2024, our Company has filed a writ petition bearing no 12428 of 2024 before the Hon'ble High Court of Hyderabad for cancellation of Order passed by EPFO Commissioner. The matter is currently pending.

II. Litigations involving our Promoters

A. Criminal Proceedings involving our Promoters

Criminal Proceedings filed by our Directors

As on the date of this Placement Document, there are no criminal proceedings filed by our Directors.

Criminal Proceedings filed against our Directors

As on the date of this Placement Document, there are no criminal proceedings filed against our Directors.

A. Material Civil Proceedings involving our Directors

Civil Proceedings filed by our Directors

As on the date of this Placement Document, there are no criminal proceedings filed by our Directors

Civil Proceedings filed against our Directors

As on the date of this Placement Document, there are no criminal proceedings filed against our Directors.

B. Tax proceedings involving our Directors

As on the date of this Placement Document, there are no tax proceedings involving our Directors.

C. Actions taken by Regulatory and Statutory Authorities against our Directors

As on the date of this Placement Document, there are no action taken by regulatory and statutory authorities against our Directors.

III. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years

There have been no inquiries, inspections or investigations initiated or conducted against our Company under

the Companies Act, 2013 or the Companies Act in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company.

IV. Details of acts of material frauds committed against our Company in the last three years, if any and if so, the action taken by our Company

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

V. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operation

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

VI. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

As on the date of this Placement Document, our Company has no outstanding defaults in repayment of undisputed statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

VII. Details of defaults in annual filing of our Company under the Companies Act and the rules made thereunder

As on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act and the rules made thereunder.

VIII. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as mentioned in "*Management's Discussion on Financial Condition and Results of* Operations – *Summary of Reservations or Qualifications or Adverse Remarks or Emphasis of Matter in the Auditors' Report in the last five Fiscals immediately preceding the year of filing this Placement Document.*" on page 118, there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document.

GENERAL INFORMATION

1. Our Company was originally incorporated as a private limited company with the name and style '*MIC Electronics Private Limited*' under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 17, 1988, issued by the Registrar of Companies, Andhra Pradesh. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the general meeting of the shareholders of our Company held on June 18, 1997, and the name of our Company was changed to its present name '*MIC Electronics Limited*', with a fresh certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on July 29, 1997.

2. The registered office of our Company is located at Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India. The CIN of our Company is L31909TG1988PLC008652.

3. The website of our Company is www.mic.co.in.

4. The Equity Shares of our Company are listed on BSE and NSE since May 30, 2007.

5. This Issue was authorized and approved by our Board of Directors on September 6, 2023, and by our Shareholders through postal ballot on October 10, 2023.

6. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated June 03, 2024. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after the Allotment of the Equity Shares in the Issue.

7. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 5.00 P.M. (except public holidays) at our Registered Office.

8. No change in the control of our Company will occur consequent to the Issue.

9. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. Except as disclosed in this Placement Document, there has been no material change in our financial or trading condition since March 31, 2024, the date of the Audited Standalone Financial Statements prepared and included herein.

11. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, please see section titled "*Legal Proceedings*" on page 228.

12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and pursuant to Rule 19A of the SCRR.

13. There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

14. As on the date of this Placement Document, M/s. Bhavani & Co., Chartered Accountants, having firm registration no. 012139S is the Statutory Auditor of our Company.

15. Our Company Secretary and Compliance Officer is Lakshmi Sowjanya Alla. Her contact details are as follows:

    Ms. Lakshmi Sowjanya Alla
    Plot No. 192/B, Phase-II, IDA, Cherlapally,
    Rangareddi, Hyderabad - 500051,
    Telangana, India
    Telephone: + 91 88 8555 2027

E-mail: cs@mic.co.in

16. The Floor Price for the Issue is ₹48.30 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders accorded through their resolution passed through postal ballot on October 10, 2023.

17. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

FINANCIAL STATEMENTS

Financial Statements	Page Number
Fiscal 2024 Audited Standalone Financial Statements along with the audit report issued	F-1 to F-49
Fiscal 2023 Audited Standalone Financial Statements along with the audit report issued	F-50 to F-93
Fiscal 2023 Audited Consolidated Financial Statements along with the audit report issued	F-94 to F 139
Fiscal 2022 Audited Standalone Financial Statements along with the audit report issued	F-140 to F-184
Fiscal 2022 Audited Consolidated Financial Statements along with the audit report issued	F-185 to F-227

BHAVANI & CO.
CHARTERED ACCOUNTANTS

Tel : 040-2970 2640

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIC ELECTRONICS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MIC ELECTRONICS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountants

Key Audit Matters	Auditor's Response
Revenue Recognition : The Company recognizes revenue from products based on the terms and conditions of transactions which varies with different customers. For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.	**Principal audit procedures :** We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts. Our test of revenue samples focused on sales recorded immediately before the year – end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do notexpress any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this otherinformation, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BHAVANI & CO. Firm Reg No: 012169S Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure **B**".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material

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foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to theInvestor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under
(a) and (b) above, contain any material misstatement.

v. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the

Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN: 24229966BKBLWB9532

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

Place : Hyderabad
Date : 21.5.2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC Electronics Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed on property provided to us, we report that, the title deeds, comprising all the immoveable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) During the year, the company has been sanctioned working capital limits in the form of Working Capital Demand Loan (WCDL) by the Bank to the tune of Rs.5.50 cr.

iii. The Company has granted advances in the nature of loans which are unsecured to company during the year, in respect of which:

(a) The Company has provided loan during the year.

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A) No loans or advances and guarantees or security given to subsidiaries, joint ventures and associates.

B) The balance outstanding as at the balance sheet date with respect to such loans is Rs. 1.74 Crores.

(b) In our opinion, the terms and conditions of the grant of loan during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in the nature of loans either payable on demand or without specifying the terms of period of repayment.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. Pursuant to the rules made by the Central Government under sub section (1) of Section 148 of the Act, the maintenance of cost records is not applicable for the company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues except some of the old dues mentioned below:

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except the amounts mentioned below.

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Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Due date	date of payment
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	14,99,399	April 2023 to September 2023	Various dates	Nil
Income Tax Act, 1961	TDS	3,08,229	Relates to FY 2019-20	Various dates	Nil

(b) There are no disputed Statutory dues during the year except following.

Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Deposits /paid in (Rs.)	Forum where the dispute is pending with
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	48,91,070	July 2018 to July 2023	Nil	Hon'ble High Court of Telangana

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution orgovernment or any government authority.

(c) There are no Term Loans availed during the year and hence the provisions of Clause (ix) (c) of the Order are not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f)of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of theOrder is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully / partly or

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optionally) and hence reporting under Clause x(b) of the order is not applicable to the Company.

xi. (a) During the course of examination of the books and records of the Company and according to the information and explanation given to us,

no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints during the year by the company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order are not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its

xx. liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We furtherstate that our reporting is based on the facts up to the date of the

audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xxi. Since the provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the company, hence clause 3 (xx) of the Order is not applicable.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN: 24229966BKBLWB9532

Place: Hyderabad
Date: 21.05.2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC ELECTRONICS LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **MIC ELECTRONICS LIMITED** (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN: 24229966BKBLWB9532

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

Place: Hyderabad
Date: 21.05.2024

MIC ELECTRONICS LIMITED
HYDERABAD

BALANCE SHEET AS AT 31st MARCH 2024

(Rs.in Lakhs)

Particulars	Note.		As at 31.03.2024		As at 31.03.2023
I. ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipment	2.01	2574.24		4095.33	
Capital Work In Progress		-		2.49	
Other Intangible Assets	2.02	13.11		12.36	
Intangible Assets under development		9.60		275.27	
Financial Assets					
(i) Investments	2.03			332.90	
(ii) Other Financial Assets	2.04	928.09		153.32	
Deferred Tax Assets (net)		4410.54		-	
Other Non Current Assets	2.05	32.44		12.00	
			7968.02		4883.67
(2) Current Assets					
Inventories	2.06	801.05		834.49	
Financial Assets					
(i) Investments					
(i) Trade receivables	2.07	2531.93		230.80	
(ii) Cash & Cash Equivalents	2.08	89.20		33.32	
(iii) Bank balances other than (ii) above	2.09	684.67		57.75	
(iv) Loans	2.10	173.67		661.85	
(v) Other Financial Assets	2.11	18.41		24.74	
Other Current Assets	2.12	1808.95		602.78	
			6107.88		2445.74
TOTAL ASSETS			14075.90		7329.41
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	2.13	4428.93		4428.93	
Other Equity		7767.27		1583.04	
TOTAL EQUITY			12196.20		6011.97
(2) Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	2.14	15.52		-	
Non-current Provisions	2.15	22.78		15.74	
			38.30		15.74
Current liabilities					
Financial Liabilities					
(i) Borrowings	2.16	1144.72		1056.02	
(ii) Trade Payables	2.17	336.11		31.38	
(iii) Other Financial Liabilities	2.18	39.32		66.95	
Other current liabilities	2.19	319.85		147.34	
Current Provisions	2.20	1.40		-	
Income Tax Liabilities (Net)		-		-	
			1841.40		1301.69
TOTAL EQUITY & LIABILITIES			14075.90		7329.41
See accompanying notes to financial statements	1-2.44				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg No: 012139S

CA S Havitha Pathuri
Partner
M.No : 229966
UDIN # 24229966BKBLWB9532

Place : Hyderabad
Date :21.05.2024

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

M S Sivanand
Whole Time Director
Din No.:10166966

M S Murali krishnan
Chief Financial Officer

A L Sowjanya
Company Secretary
M.No.: A44779

MIC ELECTRONICS LIMITED
HYDERABAD

STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2024

(Rs. In Lakhs)

	Particulars	Note.	Period ending 31.03.2024	Year ending 31.03.2023
I	**INCOME :**			
	Revenue from operations	2.21	5457.48	589.22
	Other Income	2.22	199.13	190.53
	Total Income		**5656.61**	**779.75**
II	**EXPENDITURE :**			
	Cost of material consumed	2.23	2717.26	569.13
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.24	208.74	(529.85)
	Employee benefits expense	2.25	546.03	221.88
	Finance Costs	2.26	164.11	50.27
	Depreciation and amortization expense	2.01/2.02	154.08	204.12
	Other expenses	2.27	755.01	249.04
	Total expenses		**4545.24**	**765.19**
III	**Profit/(Loss) before exceptional items and tax (I-II)**		**1111.38**	14.56
IV	**Exceptional Items**		661.96	
V	**Profit/(Loss) before tax (III+IV)**		1773.34	14.56
VI	Tax expenses:			
	Deffered tax (Liability)/Asset		4410.54	-
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**		6183.88	**14.56**
VIII	**Other comprehensive Income**			
	A (i) Items That May Not Be Reclassified to Profit or Loss		0.35	0.40
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss		-	-
	B (i) Items That May Be Reclassified to Profit or Loss		-	-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss		-	-
IX	**Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)**		6184.23	**14.96**
X	**Earnings per equity share of par value Rs 2/- each**			
	Basic		**2.79**	**0.01**
	Diluted		**2.79**	**0.01**
	Notes forming part of financial statements	1-2.44		

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

CA S Bhavika Padmini
Partner
M.No : 229966
UDIN # 24229966BKBLWB5332

Place : Hyderabad.
Date :21.05.2024

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No : 07334843

M S Sivanand
Whole Time Director
Din No : 10166966

M S Murali krishnan
Chief Financial Officer

A L Sowjanya
Company Secretary
M.No : A44779

MIC ELECTRONICS LIMITED
HYDERABAD

Cash Flow Statement for the year ended 31.03.2024

(Rs in Lakhs)

Particulars	Figures as at the end of 31st March 2024	Figures as at the end of 31st March 2023
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	1,773.34	14.56
Re-measurement gains/ (losses) on defined benefit plans	0.35	0.40
Profit before Income tax	1,773.69	14.96
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	154.08	204.42
Financial Charges	164.11	50.27
Interest received /Other Income	81.66	102.32
Operating Profit before Working Capital Changes	2,173.54	371.97
Adjustments for working capital changes		
(Increase)/Decrease in Investments	332.90	-
(Increase)/Decrease in Trade Receivables	(2,301.13)	(101.55)
(Increase)/Decrease in Inventories	33.44	(559.83)
(Increase)/Decrease in Loans	488.18	138.15
(Increase)/Decrease in Other financial assets	(768.43)	(131.86)
(Increase)/Decrease in Other Non Current Assets	(20.44)	(4.82)
(Increase)/Decrease in Other Current Assets	(1,206.16)	(324.08)
Increase/(Decrease) in Trade Payables	304.73	(10.75)
Increase/(Decrease) in Provisions	7.04	9.09
Increase/(Decrease) in Other financial liabilities	(27.63)	25.08
Increase/(Decrease) in Other Current Liabilities	173.91	(7.97)
Increase/(Decrease) in Deferred Tax Asset	(4,410.54)	-
Cash generated from Operations	(7,394.15)	(968.55)
Financial Charges paid	(164.11)	(50.27)
Direct Taxes paid	4,410.54	-
Net Cash Flow from operating activities	(974.19)	(646.86)
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	1,366.26	66.90
(Increase) / Decrease of Capital Work-in-Progress	2.49	(2.49)
Intangible assets under development	265.67	(275.27)
Interest Received/Other Income	(81.66)	(102.32)
Net Cash Flow from Investing Activities	1,552.77	(313.18)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	104.22	956.02
Deposits paid towards LCs & BGs	(626.92)	25.02
Net Cash Flow from financing activities	(522.69)	981.04
Net Increase in Cash and Cash equivalents	55.89	21.01
Cash and Cash equivalents as at the beginning of the year	33.32	12.31
Cash and Cash equivalents as at the end of the year	89.20	33.32

Per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

CA S Kavitha Padmini
Partner
M No : 229966
UDIN # 24229966BKBLWB9532

Place : Hyderabad.
Date : 21.05.2024

For MIC Electronics Limited

Kalamanchili Kaushik
Managing Director
Din No. : 07334243

M.S.Sivanand
Whole Time Director
DIN No.10166966

M S Murali krishnan
Chief Financial Officer

A L Sowjanya
Company Secretar
M No : A44779

MIC ELECTRONICS LIMITED
HYDERABAD

Statement of Changes in Equity for the period ended 31st March 2024

A. Equity Share Capital

(Rs in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of reporting period
As at 31.03.2024	4,428.93	-	4,428.93
As at 31.03.2023	4,428.93	-	4,428.93

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2024

(Rs in Lakhs)

	Other Equity						
Particulars	Capital Reserve	Securities Premium	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 01.04.2022	**17159.50**	**21454.64**	**5838.81**	**180.00**	**1800.00**	**(44864.88)**	**1568.08**
Profit for the year	-	-	-	-	-	14.96	**14.96**
Balance as at 31.03.2023	**17,159.50**	**21,454.64**	**5,838.81**	**180.00**	**1,800.00**	**(44849.92)**	**1,583.04**
Profit for the year	-	-	-	-	-	6184.23	**6,184.23**
Balance as at 31.03.2024	**17159.50**	**21454.64**	**5838.81**	**180.00**	**1800.00**	**(38665.69)**	**7767.27**

BHAVANI & CO Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

Significant Accounting Policies and Notes on Accounts

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

BHAVANI & CO Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

BHAVANI & CO Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	: Weighted average cost
Stores and spares	: Weighted average cost

Work in process and finished goods : Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

ix) Employee benefits

a) Gratuity & Provident Fund:

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

BHAVANI & CO. Firm Reg No: 012139S Chartered Accountant

MIC Electronics Limited Hyd

xii) Revenue recognition:

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lseess.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

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a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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.

b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

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xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time . On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16-Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

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Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2024 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2023	Additions	Disposals	As at 31.03.2024	As at 01.04.2023	Additions	Disposals	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land & Land Development	2,103.01		1,320.17	782.84	-			-	782.84	2,103.01
Buildings	2,109.27		491.50	1,617.77	467.58	76.79	70.63	473.74	1,144.03	1,641.68
Plant & Machinery	9,641.65	330.44		9,972.09	9371.62	67.48		9439.10	532.99	270.03
Furniture & Fixtures	205.38			205.38	185.95	3.23		189.19	16.19	19.43
Office Equipment	34.22	0.51		34.73	29.06	0.57		29.63	5.10	5.15
Electrical Installations	133.18			133.18	113.32	0.31		113.63	19.55	19.86
D.G.Set	12.28			12.28	11.67			11.67	0.61	0.61
Transformer	11.09			11.09	10.54			10.54	0.55	0.55
Vehicles	66.84	32.39		99.22	45.04	0.49		45.53	53.69	21.79
Computers	352.52	9.50		362.02	339.79	4.02		343.81	18.21	12.73
Display Equipment not put to use	48.54			48.54	48.07			48.07	0.47	0.47
Total (Rs)	**14717.97**	**372.84**	**1811.67**	**13279.14**	**10622.64**	**152.89**	**70.63**	**10704.90**	**2574.24**	**4095.33**

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2024 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2023	Additions	Disposals	As at 31.03.2024	As at 01.04.2023	Additions	Disposals	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Computer Software	153.57	1.94		155.51	150.52	0.27		150.79	4.72	3.05
Technology Transfer	10			10.00	0.69	0.91		1.61	8.39	9.31
Total (Rs)	**163.57**	**1.94**	**-**	**165.51**	**151.21**	**1.19**	**-**	**152.40**	**13.11**	**12.36**

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Other Comprehensive Income

Rs. In Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Items that may be reclassified to profit or loss		
Change in Fair Value of FVOCI Debt Instruments	-	-
Change in Fair Value of FVOCI Financial Liabilities	-	-
Deferred gains/ (losses) on cash flow hedges	-	-
Deferred costs of hedging	-	-
Exchange differences on translation of foreign operations	-	-
Net investment hedge gain	-	-
Income tax relating to these items	-	-
Sub Total (A)	-	-
Items that may not be reclassified to profit or loss		
Changes in fair value of FVOCI equity instruments	-	-
Deferred gains/ (losses) on cash flow hedges	-	-
Deferred costs of hedging	-	-
Remeasurement of post employment benefit obligations	0.35	0.40
Income tax relating to these items	-	-
Sub Total (B)	**0.35**	**0.40**
Other Comprehensive Income for the Year	**0.35**	**0.40**

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(Rs. In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NOTE - 2.03		
Investments		
Investments carried at cost, Unquoted equity shares in subsidiaries:		
Bikewo Green Tech Pvt Ltd (10,40,300 No of ordinary shares of Rs.10 each fully paid up purchased at a premium of Rs.22 each)	-	332.90
	-	332.90
NOTE - 2.04		
Other Financial Assets		
Unsecured, Considered Good :		
- Security Deposits	323.66	81.23
- Retention Money at railways	131.67	-
- Incentive receivable	-	6.44
- Bank Deposits with more than 12 months maturity	472.76	65.66
	928.09	153.32
Unsecured, considered doubtful :		
- Security Deposits	488.67	546.37
	488.67	546.37
Less : Provision for doubtful deposits/advances	488.67	546.37
	928.09	153.32
NOTE - 2.05		
Other Non Current Assets		
Unsecured, Considered Good :		
Capital Advances	12.29	0.98
Electricity deposit	13.15	11.02
Rent Deposit	7.00	-
	32.44	12.00
Unsecured, considered doubtful :		
Others		
- Share Application money pending allotment in other companies	-	30.00
	-	30.00
Less : Provision for doubtful deposits/advances	-	30.00
	32.44	12.00
NOTE- 2.06		
Inventories		
Raw Material	397.58	222.53
Work-in-Progress	387.68	420.76
Finished Goods	12.80	188.47
Stores and Spares	2.98	2.73
	801.05	834.49

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(Rs. In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NOTE- 2.07		
Trade Receivables		
Trade receivables considered good - unsecured	2525.38	200.46
Less : Allowance for expected credit loss	-	-
Trade receivables considered good - unsecured	2525.38	200.46
Trade receivables which have significant increase in credit risk	6.56	30.34
Less : Allowance for expected credit loss	-	-
	6.56	30.34
Trade receivables - credit impaired	3277.53	3285.55
Less : Allowance for expected credit loss	3277.53	3285.55
	(0.00)	-
Total Trade receivables	**2531.93**	**230.80**

Trade receivables ageing schedule for the year ended as on March 31, 2024

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	2369.24	153.41	2.73	-	-	2525.38
- Which have significant increase in credit risk	-	-	4.15	2.41		6.56
- Credit Impaired	-	-	-	-	3277.53	3277.53
	2369.24	153.41	4.15	2.41	3277.53	5809.46
Less : Allowance for credit loss						3277.53
Total Trade receivables						**2531.93**

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

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	200.46	-	-	-	-	200.46
- Which have significant increase in credit risk	-	3.48	2.41		24.45	30.34
- Credit Impaired			0.67	7.35	3277.53	3285.55
	200.46	3.48	3.08	7.35	3301.98	3516.35
Less : Allowance for credit loss						3285.55
Total Trade receivables						**230.80**

NOTE- 2.08		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	76.54	10.09
Cheques, Drafts on Hand	-	4.05
Cash in Hand	12.66	19.18
	89.20	**33.32**
NOTE- 2.09		
In Margin Money Accounts	684.67	57.75
	684.67	**57.75**
NOTE- 2.10		
Loans		
Considered Good - Unsecured		
Other Loans	173.67	661.85
	173.67	**661.85**
NOTE - 2.11		
Other Financial Assets		
Unsecured, Considered Good :		
Interest receivable	18.41	24.74
	18.41	**24.74**

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(Rs. In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NOTE- 2.12		
Other Current Assets		
Unsecured Considered Good		
Advance for expenses	4.44	2.50
(i) Prepaid Expenses	3.10	2.14
(ii) Balances with Govt Authorities		
TDS/TCS receivable	90.11	3.55
GST Input	59.17	166.77
(iii) Others		
Advance for Materials	474.93	262.42
Advance for Services	40.19	4.03
Advance for Building Creditors	-	0.52
Advances to related parties	-	160.86
Others	1137.00	-
	1808.95	**602.78**

NOTE - 2.13
Equity Share Capital

Particulars	As at 31.03.2024		As at 31.03.2023	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	37,50,00,000	7,500.00	37,50,00,000	7,500.00
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	22,14,46,343	4,428.93	22,14,46,343	4,428.93
	22,14,46,343	**4,428.93**	**22,14,46,343**	**4,428.93**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	22,14,46,343	4,428.93	22,14,46,343	4428.93
Reduction in share capital	-	-	-	-
Fresh Issue	-	-	-	-
Closing Balance	**22,14,46,343**	**4428.93**	**22,14,46,343**	**4428.93**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2024		As at 31st March, 2023	
		Number of shares held	% holding	Number of shares	% holding
	Equity shares with voting rights				
1	Siva Lakshmana Rao Kakarala	1,63,53,191	7.38%	1,64,28,191	7.42%
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	14,88,29,402	67.21%

c) Details of shares held by promoters as at 31.03.2024

Sr No	Promoter Name	Number of shares	% of total shares	% of change during the year
1	Siva Lakshmana Rao Kakarala	1,63,53,191	7.38%	0.46%
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	-

NOTE - 2.14
Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans - From Banks				
HDFC Bank Ltd	5.19	15.52		
	5.19	15.52	-	-

(*) Current portion of Long-term liabilities shown under other current liabilities

Vehicle loan availed from HDFC Bank Ltd and secured by hypothecation of vehicle which carries the following terms & conditions.

Name	Loan Amount (Rs.in Lakhs)	Month of First Instalment	Rate of Interest	Month of Last Instalment
HDFC Bank Ltd - Innova Crysta Car Loan	20.71	05-04-2024	9.25%	05-03-2029

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(Rs. In Lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
NOTE- 2.15		
Non current Provisions		
Provision for employee benefits		
- Provision for gratuity	12.44	7.08
- Provision for leave encashment	10.34	8.67
	22.78	**15.74**

NOTE - 2.16
Borrowings

(A) Secured Loans - from Banks		
Bank of Maharashtra (WCDL ACCOUNT)	411.72	587.41
Bank of Maharashtra (CC ACCOUNT)	707.92	453.61
(B) Loan from Directors	25.08	15.00
Total Borrowings (i+ii)	**1144.72**	**1056.02**

WCDL/CC limts taken from Bank of Maharashtra is secured as follows:

1) Primary : Hypothecation of stocks, receivables and other current assets of the company, both present and future

2) Equitable Mortgage of Industrial Land and building located at Plot No.192/B, IDA, Phase - II, Cherlapally, Hyderabad, Telangana 500051

3)Personal guarantee of Y Kaushik (Managing Director) and Y Satya Poorna Chandar.

4) Fixed Deposit of Rs.6 Crores under lien to bank

NOTE - 2.17
Trade Payables

Payables for materials				
-dues to MSME	272.37		-	
-dues to Others	33.27		12.61	
Payables for services				
-dues to MSME	-		-	
-dues to Others	30.47		18.77	
		336.11		31.38
		336.11		**31.38**

Trade Payables ageing schedule for the year ended as on March 31, 2024

(Rs. In Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	272.37	-	-	-	272.37
Others	61.91		1.83		63.74
Total trade payables	**334.28**	**0.00**	**1.83**	**0.00**	**336.11**

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

(Rs. In Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Others	19.97	3.49	1.22	6.70	31.38
Total trade payables	**19.97**	**3.49**	**1.22**	**6.70**	**31.38**

NOTE - 2.18
Other Financial Liabilities

Current maturities of long term borrowings (Refer Note No : 2.14)	5.19	-
Secured		
- Interest accrued and due on borrowings	5.57	5.39
Payable on Building Creditors	-	0.18
Payable on Capital Assets -Creditors	10.37	0.06
Payables for expenses	18.19	61.32
	39.32	**66.95**

NOTE - 2.19
Other Current Liabilities

Statutory remittances	270.67	104.14
Salaries Payable	46.78	35.30
Directors remuneration Payable	2.40	7.90
	319.85	**147.34**

NOTE - 2.20
Other Current Liabilities
Current Provisions

Provision for employee benefits		
- Provision for gratuity	0.05	-
- Provision for leave encashment	1.36	-
	1.40	-

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2024		Year ended 31.03.2023
NOTE- 2.21				
Revenue from Operations				
(A) Revenue from Sale of products				
Domestic Sales	5,003.38		501.21	
		5,003.38		501.21
		5,003.38		**501.21**
(B) Other operating revenues				
Installation Income	221.10			
AMC Charges & Service Charges	50.79		61.08	
Jobworks	182.21		26.93	
		454.10		88.00
		454.10		**88.00**
Total Revenue from Operations (A+B)		**5457.48**		**589.22**
NOTE- 2.22				
Other Incomes				
Interest received from others		81.66		102.32
Credit Balances written back		74.71		36.34
Rents received		1.00		1.20
Profit on sale of Investment		36.41		-
Foreign exchange rate difference		-		0.34
Bad debts recovered		-		8.25
Other non operating Income		5.35		42.08
		199.13		**190.53**
NOTE- 2.23				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		222.53		193.50
Add : Purchases	2862.71		598.03	
		2862.71		598.03
		3085.24		**791.53**
Less : Closing Stock		397.58		222.53
Raw Material Consumed		**2687.66**		**569.00**
B) Packing Materials and consumables				
Opening Stock		2.73		1.78
Add :Purchase of packing material & consumables		29.85		1.38
		32.58		3.16
Less : Closing Stock		2.98		2.73
Consumption		**29.60**		**0.43**
Total Cost of material consumed		**2717.26**		**569.43**

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2024		Year ended 31.03.2023
NOTE- 2.24				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		387.68		420.76
Finished Goods / FG in transit		12.80		188.47
	Total (A)	400.48		609.23
Opening Stock of :				
Work-in-Progress		420.76		76.99
Finished Goods		188.47		2.39
	Total (B)	609.23		79.38
Increase/(Decrease) in Stock (A-B)		(208.74)		529.85
NOTE- 2.25				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		487.08		186.43
Directors Remuneration		33.91		24.00
P. F. & ESI Contribution		17.13		8.81
Staff Welfare Expenses		7.92		2.64
		546.03		221.88
NOTE- 2.26				
Financial Cost				
Bank Charges		16.76		9.09
Interest on :				
- Borrowings & Others		147.35		41.18
		164.11		50.27
NOTE- 2.27				
Other Expenses				
Job-works, Installation charges & Maintenance Expenses		258.30		6.51
Power and Fuel		53.34		18.38
Insurance		6.17		1.94
Repairs & Maintenance		31.45		36.45
Printing & Stationary		4.98		2.29
Postage, Telephones & Internet		2.19		2.19
Rent		9.16		0.25
Licenses, Fees, Rates & Taxes		49.47		23.39
QIP Expenditure		53.23		-
Interest & Penalties		18.00		0.44
Professional Charges		26.40		38.74
Payment to the auditor				
As Statutory Auditors	3.50		3.50	
As Tax auditors	1.50		1.50	
for Reimbursement of expenses	0.74	5.74	0.09	5.09
General Expenses		37.41		54.07
Board Meeting Expenses		3.22		2.75
Security Expenses		10.86		16.09
Travelling & Conveyance		57.34		21.19
Bad debts written off		3.08		-
Debit balances written off		79.73		3.44
Vehicle Maintenance		9.95		6.89
Selling & Distribution Expenses		35.00		8.92
		755.01		249.04

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NOTE- 2.28

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.29

Foreign Currency / Exchange Transactions :

(Rs. In Lakhs)

Sl No.	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A)	**Value of Imports on CIF Basis**		
	Components	41.86	19.38
		41.86	**19.38**

NOTE- 2.30

Contingent Liabilities : The following contingent liabilities are not provided for.

(Rs. In Lakhs)

Sl No.	Particulars	As at 31th March, 2024	As at 31th March, 2023
1	Corporate Gurantee given to SBI on account of Bikewo Greentech Pvt Ltd	483.00	0.00

NOTE- 2.31

Managerial Remuneration :

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Managing Director & Director		
Remuneration	33.91	24.00
Total	**33.91**	**24.00**

NOTE- 2.32

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".

NOTE- 2.33

Value of Imported and Indigenous Materials Consumed and their Percentage to total consumption:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 24		For the year ended 31st March, 23	
	Value	%	Value	%
Imported	43.99	1.62%	11.00	1.93%
Indigeneous (including purchase of traded goods)	2,673.27	98.38%	558.43	98.07%
Total	**2,717.26**	**100.00%**	**569.43**	**100.00%**

NOTE- 2.34

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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Note : 2.35 : Disclosure Under Accounting Standards
2.35.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

A Gratuity Scheme

Table 1 : Assumptions

	31.03.2024	31.03.2023
Discount Rate	7.21% per annum	7.47% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of return on Plan Assets	Not Applicable	Not Applicable
Average future service (in years)	15.59 years	14.07 years

Table II : Service Cost

	31.03.2024	31.03.2023
Current Service Cost	5.23	4.07
Past Service Cost (including curtailment Gains/losses)	-	-
Gains of losses on Non Routine settlements	-	-
Total	**5.23**	**4.07**

Table III : Net Interest Cost

	31.03.2024	31.03.2023
Interest cost on Defined Benefit Obligation	0.53	0.22
Interest Income on Plan Assets	-	-
Net Interest Cost (Income)	**0.53**	**0.22**

Table IV : Change in Present value of Obligations

	31.03.2024	31.03.2023
Opening of defined benefit obligations	7.08	3.19
Liability Transfer In/(out)	-	-
Service Cost	5.23	4.07
Interest Cost	0.53	0.22
Benefit paid	-	-
Acturial (Gain)/Loss on total liabilities	**(0.35)**	**(0.40)**
- due to change in financial assumptions	0.24	0.28
- due to change in demographic assumptions	-	-
- due to experience variance	(0.59)	(0.12)
Closing of defined benefit obligation	**12.48**	**7.18**

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Table V : Change in Fair Value of Plan Assets

	31.03.2024	31.03.2023
Opening fair value of plan assets	-	-
Asset Transfer In/(Out)	-	-
Actual return on Plan Assets	-	-
Employer Contribution	-	-
Benefit Paid	-	-
Closing fair value of plan assets	-	-

Table VI : Actuarial (Gain)/Loss on Plan Asset

	31.03.2024	31.03.2023
Expected Interest Income	-	-
Actual Income on Plan Asset	-	-
Actuarial gain/(loss) on Assets	-	-

Table VII : Other Comprehensive Income

	31.03.2024	31.03.2023
Opening amount recognized in OCI outside P&L Account	-	-
Actuarial gain / (loss) on liabilities	0.35	0.40
Actuarial gain / (loss) on assets	-	-
Closing amount recognized in OCI Outside P&L Account	**0.35**	**0.40**

Table VIII : The amount to be recognized in Balance Sheet Statement

	31.03.2024	31.03.2023
Present value of obligations	12.48	7.08
Fair value of plan assets	-	-
Net obligations	12.48	7.08
Amount not recognized due to asset limit	-	-
Net defined benefit liability recognized in balance sheet	**12.48**	**7.08**

Table IX : Expense recognized in statement of profit and loss

	31.03.2024	31.03.2023
Service Cost	5.23	4.07
Net Interest Cost	0.53	0.22
Expenses recognized in the statement of profit and loss	**5.76**	**4.29**

Table X : Major categories of plan assets (as percentage of total plan assets)

	31.03.2024	31.03.2023
Government of India Securities	0%	0%
State Government Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Fund Managed by Insurer	0%	0%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	**0%**	**0%**

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Table XI : Change in Net Defined Obligations

	31.03.2024	31.03.2023
Opening of Net Defined benefit liability	7.08	3.19
Service Cost	5.23	4.07
Net Interest Cost	0.53	0.22
Re-measurements	(0.35)	(0.40)
Liability Transferred In/(Out)-Net	-	-
Contribution paid to fund	-	-
Closing of Net defined benefit liability	**12.48**	**7.08**

Reconciliation of Expense in Profit and Loss Statement

	31.03.2024	31.03.2023
Present value of obligation as at the end of the year	12.48	7.08
Present value of obligation as at the beginning of the year	(7.08)	(3.19)
Benefit paid	-	-
Acturial Return on Assets	-	-
Liability Transfer (In)/Out	-	-
OCI	0.35	0.40
Expenses Recognised in the statement of profit and loss	5.76	4.29

Reconciliation of Liability in Balance Sheet

	31.03.2024	31.03.2023
Opening net defined benefit liability/(asset)	7.08	3.19
Expense charged to profit and loss account	5.76	4.29
Amount recognized outside profit & loss account	-	-
Employer Contributions	-	-
Liability Transferred In/(Out) - Net	-	-
OCI	(0.35)	(0.40)
Closing net defined benefit liability / (Asset)	**12.48**	**7.08**

Sensitivity Analysis

	31.03.2024	Impact (Absolute)	Impact%
Base Liability	12.48		
Increase Discount Rate by 0.50%	12.03	(0.46)	-3.65%
Decrease Discount Rate by 0.50%	12.97	0.48	3.88%
Increase Salary Inflation by 1.00%	13.47	0.98	7.85%
Decrease Salary Inflation by 1.00%	11.60	(0.89)	-7.11%
Increase Withdrawl Rate by 5.00%	10.83	(1.66)	-13.27%
Decrease Withdrawl Rate by 5.00%	14.41	1.92	15.40%

The base liability is calculated at discount rate of 7.21% per annum and salary inflation rate of 8.00% per annum for all future years.

Liabilities are very sensitive to salary escalation rate, discount rate & withdrawl rate

Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

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Maturity Profit of Defined Benefit Obligation (valued on undiscounted basis)

	31.03.2024	31.03.2023
Year 1	0.05	0.05
Year 2	0.05	0.03
Year 3	1.10	0.03
Year 4	2.05	1.34
Year 5	1.29	0.89
After 5th Year	19.30	11.20

Comparision with last years figures

	31.03.2024	31.03.2023	Variation
Fair Value of Plan Assets	-	-	NA
Present Value of obligation	12.48	7.08	76.4%
Net Asset/(liability) recognised in balance sheet	(12.48)	(7.08)	76.4%
OCI	0.35	0.40	-11.3%
Expense to be recognised in the Profit and Loss statement	5.76	4.29	34.3%

B Leave Benefit scheme

Table 1 : Assumptions

	31.03.2024	31.03.2023
Discount Rate	7.21% per annum	7.47% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of return on Plan Assets	Not Applicable	Not Applicable
Average future service (in years)	15.59 years	14.07 years

Table II : Service Cost

	31.03.2024	31.03.2023
Current Service Cost	5.38	5.21
Past Service Cost (including curtailment Gains/losses)	-	-
Gains of losses on Non Routine settlements	-	-
Total	**5.38**	**5.21**

Table III : Net Interest Cost

	31.03.2024	31.03.2023
Interest cost on Defined Benefit Obligation	0.65	0.24
Interest Income on Plan Assets	-	-
Net Interest Cost (Income)	**0.65**	**0.24**

Table IV : Change in Present value of Obligations

	31.03.2024	31.03.2023
Opening of defined benefit obligations	8.67	3.46
Liability Transfer In/(out)	-	-
Service Cost	5.38	5.21
Interest Cost	0.65	0.24
Benefit paid	-	-
Acturial (Gain)/Loss on total liabilities	**(3.00)**	**(0.25)**
- due to change in financial assumptions	0.18	(0.22)
- due to change in demographic assumptions	-	-
- due to experience variance	(3.18)	(0.03)
Closing of defined benefit obligation	**11.70**	**8.67**

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Table V : Change in Fair Value of Plan Assets

	31.03.2024	31.03.2023
Opening fair value of plan assets	-	-
Asset Transfer In/(Out)	-	-
Actual return on Plan Assets	-	-
Employer Contribution	-	-
Benefit Paid	-	-
Closing fair value of plan assets	-	-

Table VI : Actuarial (Gain)/Loss on Plan Asset

	31.03.2024	31.03.2023
Expected Interest Income	-	-
Actual Income on Plan Asset	-	-
Actuarial gain/(loss) on Assets	-	-

Table VII : Other Comprehensive Income

	31.03.2024	31.03.2023
Opening amount recognized in OCI outside P&L Account	-	-
Actuarial gain / (loss) on liabilities	-	-
Actuarial gain / (loss) on assets	-	-
Closing of amount recognized in OCI Outside P&L Accour	-	-

Note : As per paragraph 154 and 156 of IND AS 19, Acturial gains and losses on other long term employee benefit plans continue to be required to be recognized through P&L.

Table VIII : The amount to be recognized in Balance Sheet Statement

	31.03.2024	31.03.2023
Present value of obligations	11.70	8.67
Fair value of plan assets	-	-
Net obligations	11.70	8.67
Amount not recognized due to asset limit	-	-
Net defined benefit liability recognized in balance sheet	**11.70**	**8.67**

Table IX : Expense recognized in statement of profit and loss

	31.03.2024	31.03.2023
Service Cost	5.38	5.21
Net Interest Cost	0.65	0.24
Net actuarial (gain)/loss	(3.00)	(0.25)
Expenses recognized in the statement of profit and loss	**3.03**	**5.20**

Note : As per paragraph 154 and 156 of IND AS 19, Acturial gains and losses on other long term employee benefit plans continue to be required to be recognized through P&L.

Table X : Major categories of plan assets (as percentage of total plan assets)

	31.03.2024	31.03.2023
Government of India Securities	0%	0%
State Government Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Fund Managed by Insurer	0%	0%
Bank Balance	0%	0%
Other Investments	0%	0%
Total	**0%**	**0%**

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Table XI : Change in Net Defined Obligations

	31.03.2024	31.03.2023
Opening of Net Defined benefit liability	8.67	3.46
Service Cost	5.38	5.21
Net Interest Cost	0.65	0.24
Re-measurements	(3.00)	(0.25)
Liability Transferred In/(Out)-Net	-	-
Contribution paid to fund	-	-
Closing of Net defined benefit liability	**11.70**	**8.67**

Reconciliation of Expense in Profit and Loss Statement

	31.03.2024	31.03.2023
Present value of obligation as at the end of the year	11.70	8.67
Present value of obligation as at the beginning of the year	(8.67)	(3.46)
Benefit paid	-	-
Acturial Return on Assets	-	-
Liability Transfer (In)/Out	-	-
OCI	NA	NA
Expenses Recognised in the statement of profit and loss	**3.03**	**5.20**

Reconciliation of Liability in Balance Sheet

	31.03.2024	31.03.2023
Opening net defined benefit liability/(asset)	8.67	3.46
Expense as above	3.03	5.20
Amount recognized outside profit & loss account	-	-
Liability Transferred In/(Out) - Net	-	-
Employer Contributions	-	-
Closing net defined benefit liability / (Asset)	**11.70**	**8.67**

Sensitivity Analysis

	31.03.2024	Impact (Absolute)	Impact%
Base Liability	11.70		
Increase Discount Rate by 0.50%	11.36	(0.34)	-2.90%
Decrease Discount Rate by 0.50%	12.06	0.36	3.07%
Increase Salary Inflation by 1.00%	12.41	0.71	6.05%
Decrease Salary Inflation by 1.00%	11.05	(0.65)	-5.53%
Increase Withdrawl Rate by 5.00%	11.62	(0.08)	-0.68%
Decrease Withdrawl Rate by 5.00%	11.82	0.12	1.01%

The base liability is calculated at discount rate of 7.21% per annum and salary inflation rate of 8.00% per annum for all future years.

Liabilities are very sensitive to salary escalation rate, discount rate & withdrawl rate

Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

Maturity Profit of Defined Benefit Obligation (valued on undiscounted basis)

	31.03.2024	31.03.2023
Year 1	1.45	2.07
Year 2	1.22	0.94
Year 3	1.70	1.29
Year 4	1.00	0.74

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Year 5	1.44	0.63
After 5th Year	13.02	7.98

Comparision with last years figures

	31.03.2024	31.03.2023	Variation
Fair Value of Plan Assets	-	-	NA
Present Value of obligation	11.70	8.67	35.0%
Net Asset/(liability) recognised in balance sheet	(11.70)	(8.67)	35.0%
OCI	NA	NA	NA
Expense to be recognised in the Profit and Loss statement	3.03	5.20	-41.7%

NOTE- 2.36

Segment Information (Ind AS 108): The company is operating three segments, LED products, medical appliances and E Vehicles.

NOTE- 2.37

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.RRK Enterprise Pvt Ltd	Holding Company
2	Shri Yalamanchili Kaushik, Managing Director	Key Management Personnel
3	Shri K.Siva Lakshmana Rao, Non Executive Director	
4	Ms.U.K.Gayathri, Independent Director	
5	Shri K Srinivasa Rao,Independent Director	
6	Shri M S Sivanand, Whole Time Director	
7	Ms. G Sabitha, Independent Director	
8	Mr. L.Subhash, Independent Director	
9	Mr.KS Raju, Chief Executive Officer	
10	Shri M.S.Muralikrishnan, Chief Financial Officer	
11	Ms.A L Sowjanya, Company Secretary	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2024	for the year ended 31st March, 2023
1	Remuneration to Key Managerial personnel	89.23	87.58
2	Sitting fees to Directors	2.95	2.75
3	Conveyance/Travelling expenses	13.17	4.68
4	Purchases from subsidiary company	-	1.62
5	Sales/Services to subsidiary company	-	356.46

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ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2024	As at 31st March, 2023
1	Outstanding balances payable to Management Pesonnel	14.64	9.98
2	Sitting fee and other expenses payable to Directors	-	3.24
3	Balance due from Subsidiary company against receivables	-	58.06
4	Loan given to Subsidiary company	-	160.86

NOTE- 2.38

Calculation of earnings per share (Ind AS 33)

(Amount in Rs.)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Profit attributable to Share Holders	6,184.23	14.96
No. of Equity Shares Outstanding	22,14,46,343	22,14,46,343
Weighted No. of Equity Shares	22,14,46,343	22,14,46,343
Convertible Share Warrants	-	-
No. of diluted equity shares	22,14,46,343	22,14,46,343
Nominal Value of Equity Share	2.00	2.00
Basic EPS	2.79	0.01
Diluted EPS	2.79	0.01

NOTE- 2.39

Intangible Assets (Ind AS-38) - R&D

During the year the company has incurred Rs.9.60 lakhs towards development of various projects . This development expenditure has been shown under the head intangible assets under development in the balance sheet.

NOTE- 2.40

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.30

Note-2.41 :Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

2.41.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest : NIL

2.41.2 There are no Investments by the loanees as mentioned in 2.41.1 in the shares of MIC Electronics Ltd.

2.41.3 The company does not have any associate companies as on 31st March, 2024

2.41.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

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Note-2.42 : Others

2.42.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.)

	As at March 24			As at March 23		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			0.00			332.90
Trade receivables			2531.93			230.80
Cash and cash equivalents			89.20			33.32
Other bank balances			684.67			57.75
Loans			173.67			661.85
Other financial assets			928.09			153.32
Total	-	-	**4407.57**	-	-	**1,469.95**
Financial Liabilities						
Borrowings			1160.24			1,056.02
Trade payables			336.11			31.38
Other financial liabilities			39.32			66.95
Total	-	-	**1535.67**	-	-	**1,154.35**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2024, and 31st March 2023, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2024, and 31st March 2023, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.42.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2024 and the same has been reflected at Note No.2.07. The provision for loss allowance based on historic losses has been considered and necessary provision has been made in the books.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company ' s financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

	Year ended 31 March 2024	Year ended 31 March 2023
	On demand	On demand
Borrowings	1,160.24	1,056.02
Trade payables	336.11	31.38
liabilities	39.32	66.95
Total	1,535.67	1,154.35

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C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

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Ratios

2.43 The following are analytical ratios for the year ended March 31,2024 and March 31, 2023

Particulars	Numerator	Denominator	Numerator	Denominator	31st March 2024	Reasons for variations
	Description		Values (Rs.)			
Current Ratio	Current Assets	Current Liabilities	6,107.88	1,841.40	3.32	The variation is on account of reclassification of advances and deposits from Non Current to Current assets
			2,445.74	1,301.69		
Debt Equity Ratio	Total Debts	Shareholders' Equity	1,183.02	12,196.20	0.10	
			1,071.76	6,011.97		
Debt Service Coverage ratio	Net Income before interest and Income tax	Debt service	6,331.23	1,292.08	4.90	The coverage is higher due to higher profits before tax with marginal increase in repayments borrowings
			55.74	1,097.20		
Return on equity (ROE)	Net profit after tax	Average Shareholders' equity	6,183.88	9,104.09	0.68	profits resulting in more equity. Also, includes deferred tax income of Rs.4410.54 lakhs
			14.56	6,004.49		
Trade receivables turnover ratio	Revenue	Average Trade receivables	5,457.48	1,381.37	3.95	
			589.22	180.03		
Trade payables turnover ratio	Purchases of materials	Average Trade payables	2,892.56	22.94	126.11	With more PIS revenue generated, corresponding increasd in materials consumed in FY 2023-24
			599.41	9.42		
Net Capital Turnover ratio	Revenue	Working capital	5,457.48	4,266.48	1.28	The Working capital gap is more in FY 2023-24 on account of increase in revenue and in current assets
			589.22	1,144.04		
Net Profit ratio	Net Profit	Revenue	6,183.88	5,656.61	1.09	The ratio is higher due to increase in revenue and consequent increase in profits including deferred income of Rs 4410.54 lakhs and profit on sale of Kushaiguda property of Rs.661.96 lakhs.
			14.56	779.75		
Return on Capital Employed (ROCE)	Net Income before interest and Income	Capital Employed (Non Current Assets+	6,331.23	12,234.50	0.52	The increase is on account of higher profit generated in FY 2023-24
			55.74	6,027.72		
Return on investments (ROI)	Net Profit after tax	Share Capital	6,183.88	4,428.93	1.40	The increase is on account of higher profit generated in FY 2023-24
			14.56	4,428.93		

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIC ELECTRONICS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **MIC ELECTRONICS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do notexpress any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity andcash flows of the Company in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance Sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure **B**".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

a) The stand alone financial statements disclose the impact of pending litigations as at 31st March 2023 on the financial position of the Company.

b) The Company has made a provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d) (i) The Management of the Company has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented to us, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

(e) The Company has neither declared nor paid any dividend during the year.

(f) As provision to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN:# 23229966BGXVTJ2327

Place: Hyderabad
Date: 26.05.2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC Electronics Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed on property provided to us, we report that, the title deeds, comprising all the immoveable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from the banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of

account of the Company.

iii. The Company has made investments in a Company and granted advances in the nature of loans which are unsecured to company during the year, in respect of which:

(a) The Company has provided loan during the year

(A) No loans or advances and guarantees or security given to joint ventures and associates except a loan of Rs. 1.61 Crores given to Subsidiary Company.

(B) The balance outstanding as at balance sheet date with respect to such loans is Rs. 8.47 Crores.

(b) In our opinion, the investments made and the terms and conditions of the grant of loan during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in out opinion the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying the any terms of period of repayment except the loan given to Subsidiary Company of Rs. 1.61 Crores in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act ("the Act")

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. Pursuant to the rules made by the Central Government under sub section (1) of Section 148 of the Act, the maintenance of cost records is not applicable for the company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident

Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except some of the old dues mentioned below..

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except the amounts mentioned below.

Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Due date	date of payment
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	38,11,104	From 2018-19 onwards	Various dates	Nil
Professional Tax Act, 1987	Professional Tax	29,000	2022-23	Various dates	Nil
Income Tax Act, 1961	TDS	3,09,218	From 2018-19 onwards	Various dates	Nil
T.S.Municipalities Act, 1965	Property Tax	41,80,048	From 2018-19 onwards	Various dates	Nil

(b) There are no disputed Statutory dues during the year.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution orgovernment or any government authority.

(c) There are no Term Loans availed during the year and hence the provisions of Clause (ix) (c) of the Order are not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during

the year on the pledge of securities held in its Subsidiaries, joint ventures and associate companies (as defined under the Act).

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully / partly or optionally) and hence reporting under Clause x(b) of the order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company and according to the information and explanation given to us, no material fraud by the Company or on the Company has been noticed or reported during the year. that we have beNo fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints during the year by the company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports of the Company issued till date for period under audit.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order are not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. Since the provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the company, hence clause 3 (xx) of the Order is not applicable.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA

Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN:# 23229966BGXVTJ2327

Place: Hyderabad
Date: 26.05.2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC ELECTRONICS LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

Opinion

We have audited the internal financial controls over financial reporting of **MIC ELECTRONICS LIMITED** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN: #23229966BGXVTJ2327

Place: Hyderabad
Date: 26.05.2023

MIC ELECTRONICS LIMITED
HYDERABAD

AUDITED BALANCE SHEET AS AT 31st MARCH 2023

(Rs.in Lakhs)

Particulars	Note.		As at 31.03.2023		As at 31.03.2022
I. ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipment	2.01	4095.33		4375.73	
Capital Work in Progress		2.49		0.00	
Other Intangible Assets	2.02	12.36		3.28	
Intangible Assets under development		275.27		0.00	
Financial Assets					
(i) Investments	2.03	332.90		332.90	
(ii) Other Financial Assets	2.04	153.32		21.46	
Other Non Current Assets	2.05	12.00		7.18	
			4883.67		**4740.54**
(2) Current Assets					
Inventories	2.06	834.49		274.66	
Financial Assets					
(i) Trade receivables	2.07	230.80		129.26	
(ii) Cash & Cash Equivalents	2.08	33.32		12.31	
(iii) Bank balances other than (ii) above	2.09	57.75		82.78	
(iv) Loans	2.10	661.85		800.00	
Other Current Assets	2.11	627.52		303.44	
			2445.74		**1602.44**
TOTAL ASSETS			**7329.41**		**6342.99**
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	2.12	4428.93		4428.93	
Other Equity		1583.04		1568.08	
TOTAL EQUITY			**6011.97**		**5997.01**
(2) Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings		-		-	
Long Term Provisions	2.13	15.74		6.66	
			15.74		**6.66**
Current liabilities					
Financial Liabilities					
(i) Borrowings	2.14	1056.02		100.00	
(ii) Trade Payables	2.15	31.38		42.13	
(iii) Other Financial Liabilities	2.16	66.95		41.88	
Other current liabilities	2.17	147.34		155.32	
			1301.69		**339.32**
TOTAL EQUITY & LIABILITIES			**7329.41**		**6342.99**
See accompanying notes to financial	1-2.41				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date :26.05.2023

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

MIC ELECTRONICS LIMITED
HYDERABAD

AUDITED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2023

(Rs. In Lakhs)

	Particulars	Note.		Period ending 31.03.2023		Year ending 31.03.2022
I	**INCOME :**					
	Revenue from operations	2.18		589.22		3114.10
	Other Income	2.19		190.53		119.47
	Total Income			779.75		3233.57
II	**EXPENDITURE :**					
	Cost of material consumed	2.20		569.43		1971.45
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2.21		(529.85)		(12.73)
	Employee benefits expense	2.22		221.88		203.30
	Finance Costs	2.23		50.27		113.88
	Depreciation and amortization expense	2.01/2.02		204.42		260.58
	Other expenses	2.24		249.04		416.01
	Total expenses			765.19		2952.48
III	**Profit/(Loss) before exceptional items and tax (I-II)**			14.56		281.09
IV	**Exceptional Items**			0.00		0.00
V	**Profit/(Loss) before tax (III+IV)**			14.56		281.09
VI	Tax expenses:					
	Deffered tax (Liability)/Asset		-	0.00		0.00
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**			14.56		281.09
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			0.40		
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss			0.00		-
	B (i) Items That May Be Reclassified to Profit or Loss			0.00		-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss			0.00		-
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)			14.96		281.09
X	**Earnings per equity share of par value Rs 2/- each**					
	Basic			0.01		0.13
	Diluted			0.01		0.13
	Notes forming part of financial statements	1-2.41				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date :26.05.2023

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334245

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

MIC ELECTRONICS LIMITED
HYDERABAD

Cash Flow Statement for the year ended 31.03.2023

(Rs in Lakhs)

Particulars	Figures as at the end of 31st March 2023	Figures as at the end of 31st March 2022
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	14.96	281.09
Profit before Income tax	**14.96**	**281.09**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	204.42	260.58
Financial Charges	50.27	113.88
Interest received /Other Income	102.32	32.64
Operating Profit before Working Capital Changes	**371.97**	**688.18**
Adjustments for working capital changes		
(Increase)/Decrease in Investments	0.00	(332.90)
(Increase)/Decrease in Trade Receivables	(101.55)	266.82
(Increase)/Decrease in Inventories	(559.83)	(85.64)
(Increase)/Decrease in Loans	138.15	(800.00)
(Increase)/Decrease in Other financial assets	(131.86)	194.48
(Increase)/Decrease in Other Non Current Assets	(4.82)	(1.64)
(Increase)/Decrease in Other Current Assets	(324.08)	(168.87)
Increase/(Decrease) in Trade Payables	(10.75)	(21.18)
Increase/(Decrease) in Provisions	9.09	6.66
Increase/(Decrease) in borrowings	0.00	(2,608.16)
Increase/(Decrease) in Other financial liabilities	25.08	(2,799.18)
Increase/(Decrease) in Other Current Liabilities	(7.97)	(60.43)
Cash generated from Operations	**(968.55)**	**(6,410.04)**
Financial Charges paid	(50.27)	(113.88)
Net Cash Flow from operating activities	**(646.86)**	**(5,835.73)**
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	66.90	(7.01)
(Increase) / Decrease of Capital Work-in-Progress	(2.49)	0.00
Intangible assets under development	(275.27)	
Interest Received/Other Income	(102.32)	(32.64)
Net Cash Flow from Investing Activities	**(313.18)**	**(39.65)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	956.02	(70.12)
Deposits paid towards LCs & BGs	25.02	8.27
Increase/(Decrease) in capital reserve	0.00	3,303.81
Increase/(Decrease) in Share Capital	0.00	23.84
Increase/(Decrease) in Share Premium	0.00	2,611.55
Net Cash Flow from financing activities	**981.04**	**5,877.35**
Net Increase in Cash and Cash equivalents	21.01	1.96
Cash and Cash equivalents as at the beginning of the year	12.31	10.35
Cash and Cash equivalents as at the end of the year	**33.32**	**12.31**

Per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 26.05.2023

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

MIC ELECTRONICS LIMITED
HYDERABAD

Statement of Changes in Equity for the period ended 31St March 2023

A. Equity Share Capital

(Rs in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of reporting period
As at 31.03.2023	4,428.93	0.00	4,428.93
As at 31.03.2022	4,405.09	23.84	4,428.93

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2023

(Rs in Lakhs)

	Other Equity						
Particulars	Capital Reserve	Securities Premium	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 01.04.2021	**13855.70**	**18843.09**	**5838.81**	**180.00**	**1800.00**	**(45145.97)**	**(4628.37)**
Profit for the year	-	-	-	-	-	281.09	**281.09**
Share Premium	-	2,611.55	-	-	-	-	**2,611.55**
Reduction in share capital pursuant to NCLT Order	3,303.81	-	-	-	-	-	**3,303.81**
Balance as at 31.03.2022	**17,159.50**	**21,454.64**	**5,838.81**	**180.00**	**1,800.00**	**(44864.88)**	**1,568.08**
Profit for the year	-	-	-	-	-	14.96	**14.96**
Balance as at 31.03.2023	**17159.50**	**21454.64**	**5838.81**	**180.00**	**1800.00**	**(44849.92)**	**1583.04**

BHAVANI & CO HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited Hyd

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MIC ELECTRONICS LIMITED
HYDERABAD

Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2023 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land & Land Development	2,164.71	-	61.70	2,103.01	-			-	2,103.01	2,164.71
Buildings	2,203.16	33.41	127.30	2,109.27	394.35	107.07	33.84	467.58	1,641.68	1,808.81
Plant & Machinery	9,667.68	42.78	68.81	9,641.65	9349.23	89.24	66.85	9371.62	270.03	318.45
Furniture & Fixtures	215.08	-	9.70	205.38	191.83	3.33	9.21	185.95	19.43	23.25
Office Equipment	32.01	2.20	-	34.22	28.57	0.49		29.06	5.15	3.44
Electrical Installations	131.30	3.22	1.34	133.18	114.36	0.23	1.27	113.32	19.86	16.94
D.G.Set	12.28	-	-	12.28	11.67			11.67	0.61	0.61
Transformer	11.09	-	-	11.09	10.54			10.54	0.55	0.55
Vehicles	76.98	-	10.14	66.84	51.96		6.92	45.04	21.79	25.02
Computers	354.41	2.41	4.31	352.52	340.93	3.13	4.28	339.79	12.73	13.48
Display Equipment not put to use	48.54	-		48.54	48.07			48.07	0.47	0.47
Total (Rs)	**14917.24**	**84.02**	**283.30**	**14717.97**	**10541.51**	**203.50**	**122.37**	**10622.64**	**4095.33**	**4375.73**

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land & Land Development	2,164.71	-	-	2,164.71	-	-	-	-	2,164.71	2,164.71
Buildings	2,203.16	-	-	2,203.16	284.81	109.54	-	394.35	1,808.81	1,918.35
Plant & Machinery	9,648.11	19.57	-	9,667.68	9255.06	94.17	-	9349.23	318.45	393.05
Furniture & Fixtures	215.08	-	-	215.08	167.74	24.09	-	191.83	23.25	47.34
Office Equipment	31.78	0.23	-	32.01	25.62	2.95	-	28.57	3.44	6.17
Electrical Installations	131.30	-	-	131.30	98.84	15.52	-	114.36	16.94	32.46
D.G.Set	12.28	-	-	12.28	7.00	4.67	-	11.67	0.61	5.28
Transformer	11.09	-	-	11.09	6.32	4.22	-	10.54	0.55	4.77
Vehicles	167.56	-	90.58	76.98	122.41	1.28	71.73	51.96	25.02	45.16
Computers	349.15	5.26	-	354.41	337.33	3.60	-	340.93	13.48	11.82
Display Equipment not put to use	48.54	-	-	48.54	48.07	-	-	48.07	0.47	0.47
Total (Rs)	**14982.76**	**25.06**	**90.58**	**14917.24**	**10353.20**	**260.04**	**71.73**	**10541.51**	**4375.73**	**4629.56**

BHAVANI & CO. HYDERABAD FRN. 012139S Chartered Accountants

MIC Electronics Limited Hyd

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Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2023 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	Additions	Deletions	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	153.57		-	153.57	150.30	0.22	-	150.52	3.05	3.28
Technology Transfer		10.00		10.00		0.69		0.69	9.31	0.00
Total (Rs)	**153.57**	**10.00**	**0.00**	**163.57**	**150.30**	**0.92**	**0.00**	**151.21**	**12.36**	**3.28**

The changes in the carrying value of intangible assets for the year ended 31st March, 2022 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	152.77	0.80	-	153.57	149.76	0.54		150.30	3.28	3.01
Total (Rs)	**152.77**	**0.80**	**-**	**153.57**	**149.76**	**0.54**	**-**	**150.30**	**3.28**	**3.01**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE - 2.03		
Investments		
Investments carried at cost, Unquoted equity shares in subsidiaries:		
Bikewo Green Tech Pvt Ltd	332.90	332.90
(10,40,300 No of ordinary shares of Rs.10 each fully paid up purchased at a premium of Rs.22 each)		
	332.90	332.90
NOTE - 2.04		
Other Financial Assets		
Unsecured, Considered Good :		
- Security Deposits	89.67	19.12
- Bank Deposits with more than 12 months maturity	65.66	2.34
	155.32	**21.46**
Unsecured, considered doubtful :		
- Security Deposits	544.37	546.37
	544.37	**546.37**
Less : Provision for doubtful deposits/advances	**546.37**	**546.37**
	153.32	**21.46**
NOTE - 2.05		
Other Non Current Assets		
Unsecured, Considered Good :		
Capital Advances	0.98	0.00
Electricity deposit	11.02	7.18
		-
	12.00	**7.18**
Unsecured, considered doubtful :		
Others		
- Share Application money pending allotment in other companies	30.00	30.00
	30.00	**30.00**
Less : Provision for doubtful deposits/advances	30.00	30.00
	12.00	**7.18**
NOTE- 2.06		
Inventories		
Raw Material	222.53	193.50
Work-in-Progress	420.76	76.99
Finished Goods	188.47	2.39
Stores and Spares	2.73	1.78
	834.49	**274.66**

BHAVANI & CO. HYDERABAD FRN. 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE- 2.07		
Trade Receivables		
Trade receivables considered good - unsecured	200.46	93.09
Less : Allowance for expected credit loss	-	-
Trade receivables considered good - unsecured	200.46	93.09
Trade receivables which have significant increase in credit risk	30.34	36.16
Less : Allowance for expected credit loss	-	-
	30.34	36.16
Trade receivables - credit impaired	3285.55	3301.92
Less : Allowance for expected credit loss	3285.55	3301.92
	-	-
Total Trade receivables	**230.80**	**129.26**

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

Particulars	Less than six	6 months to 1	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	200.46	-	-	-	-	200.46
- Which have significant increase in credit risk	-	3.48	2.41		24.45	30.34
- Credit impaired	-	-	0.67	7.35	3277.53	3285.55
	200.46	3.48	3.07	7.35	3301.98	3516.35
Less : Allowance for credit loss						3285.55
Total Trade receivables						**230.80**

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

Particulars	Less than six	6 months to 1	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	93.09	-	-	-	-	93.09
- Which have significant	-	-	0.46	17.77	17.93	36.16
- Credit impaired			8.02	0.87	3293.02	3301.92
	93.09	0.00	8.48	18.65	3310.95	3431.18
Less : Allowance for credit loss						3301.92
Total Trade receivables						**129.26**

NOTE- 2.08		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	10.09	2.13
Cheques, Drafts on Hand	4.05	10.00
Cash in Hand	19.18	0.18
	33.32	**12.31**
NOTE- 2.09		
In Margin Money Accounts	57.75	82.78
	57.75	**82.78**
NOTE- 2.10		
Loans		
Considered Good - Unsecured		
Other Loans	661.85	800.00
	661.85	**800.00**
NOTE- 2.11		
Other Current Assets		
Unsecured Considered Good		
Interest receivable	24.74	23.72
Advance for expenses	2.50	0.51
Other Advances		
(i) Prepaid Expenses	2.14	0.44
(ii) Balances with Govt Authorities		
TDS receivable	3.55	36.42
GST Input	166.77	102.30
(iii) Others		
Advance for Materials	262.94	133.97
Advance for Services	4.03	1.07
Advance to related party	160.86	
Other advances	-	5.00
	627.52	**303.44**

BHAVANI & CO HYDERABAD FRN:012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

NOTE - 2.12
Equity Share Capital

(Rs.in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	37,50,00,000	7,500.00	37,50,00,000	7,500.00
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	22,14,46,343	4,428.93	22,14,46,343	4,428.93
	22,14,46,343	**4,428.93**	**22,14,46,343**	**4,428.93**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	22,14,46,343	4,428.93	22,02,54,319	4405.09
Reduction in share capital	-	-	(16,51,90,319)	(3303.81)
Fresh Issue	-	-	16,63,82,343	3327.65
Closing Balance	**22,14,46,343**	**4428.93**	**22,14,46,343**	**4428.93**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
		Number of shares held	% holding	Number of shares	% holding
	Equity shares with voting rights				
1	Siva Lakshmana Rao Kakarala	1,64,28,191	7.42%	1,64,28,191	7.42%
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	14,88,29,402	67.21%

c) Details of shares held by promoters as at 31.03.2023

Sr No	Promoter Name	Number of shares	% of total shares	% of change during the year
1	Siva Lakshmana Rao Kakarala	1,64,28,191	7.42%	-
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	-

NOTE- 2.13
Long Term Provisions

Provision for employee benefits		
- Provision for gratuity	7.08	3.19
- Provision for leave encashment	8.67	3.46
	15.74	**6.66**

NOTE - 2.14
Borrowings

(A) Secured Loans - from Banks		
Bank of Maharashtra (WCDL ACCOUNT)	587.41	100.00
Bank of Maharashtra (CC ACCOUNT)	453.61	-
(B) Loan from Directors	15.00	
Total Borrowings (i+ii)	**1056.02**	**100.00**

WCDL/CC limts taken from Bank of Maharashtra is secured as follows:

1) Primary : Hypothecation of entire current assets both present and future

2) Equitable Mortgage of Industrial Land and building located at Plot Nos.A-4/1 to A-4/7 situated at Electronics Complex, Kushaiguda, Industrial Park, TSIIC, Kapra, Under GHMC, Medchal-Malkajgiri - 500062.

3)Personal guarantee of Y Kaushik (Managing Director) and Y Satya Poorna Chandar.

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs.in Lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022
NOTE - 2.15				
Trade Payables				
Payables for materials				
-dues to MSME	-		-	
-dues to Others	12.61		6.24	
Payables for services				
-dues to MSME	-		-	
-dues to Others	18.77		35.89	
		31.38		42.13
		31.38		**42.13**

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

(Rs. In Lakhs)

Particulars	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Others	19.97	3.49	1.22	6.70	31.38
Total trade payables	**19.97**	**3.49**	**1.22**	**6.70**	**31.38**

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

(Rs. In Lakhs)

Particulars	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Others	21.19	6.38	7.91	6.65	42.13
Total trade payables	**21.19**	**6.38**	**7.91**	**6.65**	**42.13**

NOTE - 2.16
Other Financial Liabilities

Secured		
- Interest accrued and due on borrowings	5.39	0.13
Payable on Building Creditors	0.18	-
Payable on Capital Assets -Creditors	0.06	-
Payables for expenses	61.32	41.75
	66.95	**41.88**

NOTE - 2.17
Other Current Liabilities

Statutory remittances	104.14	117.74
Salaries Payable	35.30	26.52
Directors remuneration Payable	7.90	11.06
	147.34	**155.32**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars		Year ended 31.03.2023		Year ended 31.03.2022
NOTE- 2.18				
Revenue from Operations				
(A) Revenue from Sale of products				
Domestic	501.21		3,005.06	
		501.21		3,005.06
		501.21		**3,005.06**
(B) Other operating revenues				
AMC Charges & Service Charges	61.08		109.04	
Jobworks	26.93		0.00	
		88.00		109.04
		88.00		**109.04**
Total Revenue from Operations (A+B)		**589.22**		**3114.10**
NOTE- 2.19				
Other Incomes				
Interest Received from others		102.32		32.64
Credit Balances written back		36.34		42.03
Rents received		1.20		2.16
Profit on sale of vehicle		-		0.33
Foreign exchange rate difference		0.34		-
Bad debts recovered		8.25		36.31
Other non operating Income		42.08		5.99
		190.53		**119.47**
NOTE- 2.20				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		193.50		1187.16
Add : Purchases	598.03		2038.25	
Less : Depletion in valuation of Stocks	-		1064.79	
Less : Material consumed for R&D	-		2.26	
		598.03		971.20
		791.53		**2158.36**
Less : Closing Stock		222.53		193.50
Raw Material Consumed		**569.00**		**1964.86**
B) Packing Materials and consumables				
Opening Stock		1.78		11.34
Add :Purchase of packing material & consumables		1.38		8.37
Less : Depletion in value of stocks		-		11.34
		3.16		8.37
Less : Closing Stock		2.73		1.78
Consumption		**0.43**		**6.59**
Total Cost of material consumed		**569.43**		**1971.45**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited HYD

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars		Year ended 31.03.2023		Year ended 31.03.2022
NOTE- 2.21				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		420.76		76.99
Finished Goods / FG in transit		188.47		2.39
Total (A)		**609.23**		**79.38**
Opening Stock of :				
Work-in-Progress	76.99		1939.13	
Less : Depletion in value of stocks	-	76.99	1872.48	66.65
Finished Goods	2.39		1214.36	
Less : Depletion in value of stocks	-	2.39	1214.36	0.00
Total (B)		**79.38**		**66.65**
Increase/(Decrease) in Stock (A-B)		**529.85**		**12.73**
NOTE- 2.22				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		186.43		180.24
Directors Remuneration		24.00		13.00
P. F. & ESI Contribution		8.81		6.31
Staff Welfare Expenses		2.64		3.74
		221.88		**203.30**
NOTE- 2.23				
Financial Cost				
Bank Charges		9.09		12.12
Interest on :				
- Borrowings & Others		41.18		101.76
		50.27		**113.88**
NOTE- 2.24				
Other Expenses				
Job-works, Installation charges & Maintenance Expenses		6.51		18.96
Power and Fuel		18.38		10.15
Insurance		1.94		3.58
Repairs & Maintenance		36.45		9.98
Printing & Stationary		2.29		5.53
Postage, Telephones & Internet		2.19		2.33
Rent		0.25		0.00
Licenses, Fees, Rates & Taxes		23.39		34.65
Interest & Penalties		0.44		31.59
Professional Charges		38.74		95.51
Payment to the auditor				
As Statutory Auditors	3.50		3.50	
As Tax auditors	1.50		1.50	
for Reimbursement of expenses	0.09	5.09	0.09	5.09
General Expenses		54.07		60.00
Board Meeting Expenses		2.75		3.60
Foreign exchange rate difference		-		0.11
Security Expenses		16.09		11.01
Travelling & Conveyance		21.19		12.49
Bad debts & debit balances written off		3.44		41.43
Vehicle Maintenance		6.89		2.37
Selling & Distribution Expenses		8.92		5.66
R & D Expenses		0.00		61.95
		249.04		**416.01**

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NOTE- 2.25

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.26

Foreign Currency / Exchange Transactions :

(Rs. In Lakhs)

Sl No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
A)	**Value of Imports on CIF Basis**		
	Components	19.38	118.91
		19.38	**118.91**

NOTE- 2.27

Contingent Liabilities : The following contingent liabilities are not provided for.

(Rs. In Lakhs)

Sl No.	Particulars	As at 31th March, 2023	As at 31th March, 2022
1	Guarantees given by the company to banks towards issue of B.Gs.	106.74	39.67

NOTE- 2.28

Managerial Remuneration :

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Managing Director & Director		
Remuneration	24.00	13.00
Total	**24.00**	**13.00**

NOTE- 2.29

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" . As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 2.30

Value of Imported and Indigenous Materials Consumed and their Percentage to total consumption:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 23		For the year ended 31st March, 22	
	Value	%	Value	%
Imported	11.00	1.93%	501.47	25.44%
Indigeneous (including purchase of traded goods)	558.43	98.07%	1,469.98	74.56%
Total	**569.43**	**100.00%**	**1,971.45**	**100.00%**

NOTE- 2.31

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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Significant Accounting Policies and Notes on Accounts

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

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Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) Non-derivative financial liabilities

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

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Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	: Weighted average cost
Stores and spares	: Weighted average cost

Work in process and finished goods : Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

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viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ix) Employee benefits

a) Gratuity & Provident Fund:

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii) Revenue recognition:

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lseess.

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c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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 simultaneouslv.

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b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

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xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time . On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16-Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

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Note : 2.32 : Disclosure Under Accounting Standards

2.32.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2022		
Present value of obligation at the beginning of the year	-	-
Interest cost		
Current service cost	2.21	3.02
Past service cost	0.98	0.44
Benefits paid/payable		
Actuarial gain/loss on obligation		
Present value of obligation at the end of the period	3.19	3.46
31st March 2023		
Present value of obligation at the beginning of the year	3.19	3.46
Interest cost	0.22	0.24
Current service cost	4.07	5.21
Past service cost		
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(0.40)	(0.25)
Present value of obligation at the end of the period	7.08	8.67
B. Changes in the fair value of the plan Assets as on 31st March 2022		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
31st March 2023		

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Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2022		
Present value of the obligations at the end of the year	3.19	3.46
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(3.19)	(3.46)
31st March 2023		
Present value of the obligations at the end of the year	7.08	8.67
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(7.08)	(8.67)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss		
31st March 2022		
Current service cost	3.19	3.46
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	3.19	3.46
31st March 2023		
Current service cost	4.07	5.21
Past service cost	-	-
Interest cost	0.22	0.24
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	(0.25)
Expenses recognised in Statement of Profit and Loss	4.29	5.20

E. Principal Actuarial Assumptions:

DESCRIPTION	2022-23	2021-22
i. Discount Rate	7.47%	6.96%
ii. Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
iii. Medical Cost Trend rates	-	-
iv. Expected average remaining service	14.07	13.95
v. Employee Attrition Rate (Past Service)	-	-

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

NOTE- 2.33

Segment Information (Ind AS 108): The company is operating three segments, LED products, medical appliances and E Vehicles.

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NOTE- 2.34

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.RRK Enterprise Pvt Ltd	Holding Company
2	M/s.Bikewo Green Tech Pvt Ltd	Subsidiary Company
3	Shri Yalamanchili Kaushik, Managing Director	Key Management Personnel
4	Shri K.Siva Lakshmana Rao, Non Executive Director	
5	Ms.U.K.Gayathri, Independent Director	
6	Shri K Manideep, Independent Director	
7	Shri K Srinivasa Rao,Independent Director	
8	Ms K V N Lavanya, Independent Director	
9	Shri K Srikanth Reddy, Company Secretary	
10	Shri M.S.Muralikrishnan, Chief Financial Officer	
11	Shri M S Sivanand, Company Secretary	
12	Shri Srinivasan Arunachalam, Chief Executive Officer	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2023	for the year ended 31st March, 2022
1	Remuneration to Key Managerial	87.58	31.12
2	Sitting fees to Directors	2.75	3.60
3	Conveyance/Travelling expenses	4.68	-
4	Purchases from subsidiary company	1.62	-
5	Sales/Services to subsidiary company	356.46	-

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2023	As at 31st March, 2022
1	Outstanding balances payable to Management Pesonnel	9.98	12.82
2	Sitting fee and other expenses payable to Directors	3.24	6.91
3	Balance due from Subsidiary company against receivables	58.06	-
4	Loan given to Subsidiary company	160.86	-

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NOTE- 2.35

Calculation of earnings per share (Ind AS 33)

(Amount in Rs.)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit attributable to Share Holders	14.96	281.09
No. of Equity Shares Outstanding	22,14,46,343	22,14,46,343
Weighted No. of Equity Shares	22,14,46,343	22,14,46,343
Convertible Share Warrants	-	-
No. of diluted equity shares	22,14,46,343	22,14,46,343
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.01	0.13
Diluted EPS	0.01	0.13

NOTE- 2.36

Intangible Assets (Ind AS-38) - R&D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs. NIL (previous year Rs.62 Lakhs).

During the year the company has incurred Rs.271.32 lakhs towards development of PIS (Passenger Information System) related to hardware and software. This development expenditure has been shown under the head intangible assets under development in the balance sheet.

NOTE- 2.37

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.27

Note-2.38 :Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

2.38.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest :

2.38.2 There are no Investments by the loanees as mentioned in 2.38.1 in the shares of MIC Electronics Ltd.

2.38.3 The company does not have any associate companies as on 31st March, 2023

2.38.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

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MIC Electronics Limited

Note-2.39 : Others

2.39.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.)

	As at March 23			As at March 22		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			332.90			332.90
Trade receivables			230.80			129.26
Cash and cash equivalents			33.32			12.31
Other bank balances			57.75			82.78
Loans			661.85			800.00
Other financial assets			153.32			21.46
Total	-	–	**1469.95**	–	–	**1,378.70**
Financial Liabilities						
Borrowings			1056.02			100.00
Trade payables			31.38			42.13
Other financial liabilities			66.95			41.88
Total	-	–	**1154.35**	–	–	**184.01**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2023, and 31st March 2022, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2023, and 31st March 2022, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.39.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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MIC Electronics Limited

The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2023. the same has been reflected at Note No.2.07. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

	Year ended 31 March 2023	Year ended 31 March 2022
	On demand	On demand
Borrowings	1,056.02	100.00
Trade payables	31.38	42.13
liabilities	66.95	41.88
Total	1,154.35	184.01

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MIC Electronics Limited Hyd

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

Other Notes

2.41 Management reviewed the deferred tax assets/liabilities on temporary differences between the tax base of assets and liabilities and their carrying amounts for the financial reporting purpose at reporting date. However, as the company has recently came out of CIRP, there is virtual uncertainity of taxable profits in near future and availability of deferred tax assets to be set off. Accordingly, the deferred tax (net assets) for the reporting period i.e, April 1, 2022 to March 31, 2023 have not been considered.

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To the members,

M/s. MIC ELECTRONICS LIMITED,

Report on the Audit of Consolidated Financial Statements:

Opinion

We have audited the accompanying consolidated financial statements of M/s. **MIC ELECTRONICS LIMITED** ("the Parent") and its subsidiary (The Parent and its subsidiary together referred to as group), which comprise the Balance Sheet as on 31stMarch, 2023, and the Statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended 31st March, 2023 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the accompanying consolidated financial statements give the information required by the Companies Act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Accounting Standard Rules 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the group as at 31st March 2023 and its profit, total comprehensive income, its cash flows, its changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, we have determined there are no key audit matters to be communicated in our report for the reporting period.

Information other than the consolidated financial statements and Auditor's report there on:

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information , compare the financial statements of the subsidiary provided by the management to the extent it relates to these entities and in doing so, place reliance on the financials of subsidiary submitted by the management and consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained during the course of our audit or otherwise appears to be material misstated. Other information so far it relates to the subsidiary is traced from the financial statements submitted by the management. However, the subsidiary's financial statements are audited by other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements:

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the parent and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We also:

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

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The accompanying Consolidated financial statements include unaudited financial statements of Bikewo Green Tech Private Limited., a subsidiary, whose unaudited financial statements reflect total assets of Rs.1,962.40 lakhs as at 31st March, 2023, total revenues of Rs.2,061.86 lakhs for the year ended on that date. The above financial information are before giving effect to any consolidated adjustments. These unaudited financial statements and other unaudited financial information have been furnished to us by the management.

Our Opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. A. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company sofar as it appears from our examination of those books

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of changes in equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

   e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The group has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its consolidated financial statements;

   (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(v) The Group has neither declared nor paid any dividend during the year.

(vi) As provision to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN: #23229966BGXVTK6993

Place : Hyderabad
Date : 26.05.2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT on the consolidated financial statements of MIC ELECTRONICS LIMITED

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC ELECTRONICS LIMITED of even date)

Opinion

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN: #23229966BGXVTK6993

Place : Hyderabad
Date : 26.05.2023

MIC ELECTRONICS LIMITED
HYDERABAD

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2023

(Rs.in Lakhs)

Particulars	Note.		As at 31.03.2023		As at 31.03.2022
I. ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipment	2.01	4319.97		4692.55	
Capital Work in Progress		709.37		462.39	
Other Intangible Assets	2.02	21.94		14.47	
Intangible Assets under development		275.27		-	
Financial Assets					
(i) Investments		-		-	
(ii) Other Financial Assets	2.03	153.32		21.46	
Other Non Current Assets	2.04	13.80		9.57	
			5493.68		**5200.45**
(2) Current Assets					
Inventories	2.05	1575.87		786.85	
Financial Assets					
(i) Trade receivables	2.06	281.57		134.50	
(ii) Cash & Cash Equivalents	2.07	37.16		14.35	
(iii) Bank balances other than (ii) above	2.08	57.75		82.78	
(iv) Loans	2.09	704.94		844.67	
Other Current Assets	2.10	589.01		443.89	
			3246.31		**2307.03**
TOTAL ASSETS			**8739.98**		**7507.48**
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	2.11	4428.93		4428.93	
Other Equity		1873.28		1848.52	
Non-controlling interest		100.00		100.00	
TOTAL EQUITY			**6402.20**		**6377.45**
(2) Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	2.12	180.48		235.01	
Long Term Provisions	2.13	15.74		6.66	
Deferred Tax Liabilities (net)		3.42		2.46	
			199.64		**244.13**
Current liabilities					
Financial Liabilities					
(i) Borrowings	2.14	1435.76		479.95	
(ii) Trade Payables	2.15	57.83		50.53	
(iii) Other Financial Liabilities	2.16	111.94		115.32	
Other current liabilities	2.17	532.60		222.88	
Income Tax Liabilities (Net)	2.18	0.00		17.25	
			2138.13		**885.92**
TOTAL EQUITY & LIABILITIES			**8739.98**		**7507.48**
See accompanying notes to financial	1-2.41				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

Place : Hyderabad.
Date :26.05.2023

MIC ELECTRONICS LIMITED
HYDERABAD

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2023

(Rs. In Lakhs)

	Particulars	Note.		Period ending 31.03.2023		Year ending 31.03.2022
I	**INCOME :**					
	Revenue from operations	2.19		2290.81		4494.70
	Other Income	2.20		194.34		130.58
	Total Income			**2485.15**		**4625.28**
II	**EXPENDITURE :**					
	Cost of material consumed	2.21		569.43		1971.45
	Purchase of stock-in-trade			1693.16		1224.18
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2.22		(759.04)		(192.92)
	Employee benefits expense	2.23		344.61		314.82
	Finance Costs	2.24		79.04		173.42
	Depreciation and amortization expense	2.01/2.02		237.39		291.21
	Other expenses	2.25		294.32		539.89
	Total expenses			**2458.91**		**4322.06**
III	**Profit/(Loss) before exceptional items and tax (I-II)**			**26.24**		**303.23**
IV	**Exceptional Items**			0.00		0.00
V	**Profit/(Loss) before tax (III+IV)**			**26.24**		**303.23**
VI	Tax expenses:					
	Current tax				4.39	
	Taxes of earlier years written back		0.92		0	
	Deffered tax (Liability)/Asset		(0.96)	1.88	(2.56)	(6.95)
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**			**24.36**		**296.28**
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			0.40		
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss			0.00		-
	B (i) Items That May Be Reclassified to Profit or Loss			0.00		-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss			0.00		-
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)			**24.76**		**296.28**
X	**Earnings per equity share of par value Rs 2/- each**					
	Basic			**0.01**		**0.13**
	Diluted			**0.01**		**0.13**
	Notes forming part of financial statements	1-2.41				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 26.05.2023

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Koushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

MIC ELECTRONICS LIMITED
HYDERABAD

Consolidated Cash Flow Statement for the year ended 31.03.2023

(Rs in Lakhs)

Particulars	Figures as at the end of 31st March 2023	Figures as at the end of 31st March 2022
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	24.76	296.28
Profit before Income tax	**24.76**	**296.28**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	237.39	291.21
Decrease on account of cessation of MIC Electronics Inc	-	(723.98)
Financial Charges	79.04	173.42
Interest received /Other Income	102.32	32.64
Operating Profit before Working Capital Changes	**443.50**	**69.57**
Adjustments for working capital changes		
(Increase)/Decrease in Investments	-	752.15
(Increase)/Decrease in Trade Receivables	(147.07)	261.58
(Increase)/Decrease in Inventories	(789.02)	(597.83)
(Increase)/Decrease in Loans	139.72	(844.67)
(Increase)/Decrease in Other financial assets	(131.86)	194.48
(Increase)/Decrease in Other Non Current Assets	(4.23)	(4.04)
(Increase)/Decrease in Other Current Assets	(145.12)	(241.43)
Increase/(Decrease) in Trade Payables	7.30	(108.54)
Increase/(Decrease) in Provisions	9.09	6.66
Increase/(Decrease) in borrowings	(54.53)	(2,373.15)
Increase/(Decrease) in Other financial liabilities	(3.37)	(2,726.09)
Increase/(Decrease) in Other Current Liabilities	309.72	7.13
Increase/(Decrease) in Deferred Tax Asset	0.96	-
Cash generated from Operations	**(808.41)**	**(5,673.76)**
Financial Charges paid	(79.04)	(173.42)
Direct Taxes paid	(17.25)	19.71
Net Cash Flow from operating activities	**(461.20)**	**(5,757.89)**
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	127.73	(365.67)
(Increase) / Decrease of Capital Work-in-Progress	(246.98)	(462.39)
Intangible assets under development	(275.27)	-
Interest Received/Other Income	(102.32)	(32.64)
Net Cash Flow from Investing Activities	**(496.83)**	**(860.71)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	955.81	309.82
Deposits paid towards LCs & BGs	25.02	8.27
Increase/(Decrease) in capital reserve	-	3,303.81
Non-controlling interest	-	23.84
Increase/(Decrease) in other equity	-	100.00
Increase/(Decrease) in Share Capital	-	77.15
Increase/(Decrease) in Share Premium	-	2,800
Net Cash Flow from financing activities	**980.84**	**6,622.54**
Net Increase in Cash and Cash equivalents	22.80	3.94
Cash and Cash equivalents as at the beginning of the year	14.35	10.40
Cash and Cash equivalents as at the end of the year	**37.16**	**14.35**

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

MIC Electronics Limited Hyd

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

M S Sivanand
Company Secretary
M.No.: A10822

Place : Hyderabad.
Date :26.05.2023

MIC ELECTRONICS LIMITED
HYDERABAD

Statement of Changes in Equity for the period ended 31st March 2023

A. Equity Share Capital

(Rs in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of reporting period
As at 31.03.2023	4,428.93	0.00	4,428.93
As at 31.03.2022	4,405.09	23.84	4,428.93

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2023

(Rs in Lakhs)

	Other Equity						
Particulars	Capital Reserve	Securities Premium	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 01.04.2021	**13855.70**	**18843.09**	**5838.81**	**180.00**	**1800.00**	**(44344.84)**	**(3827.24)**
Profit for the year	-	-	-	-	-	296.28	**296.28**
Share Premium	-	2,799.65	-	-	-	-	**2,799.65**
Reduction in share capital pursuant to NCLT Order	3,303.81	-	-	-	-	-	**3,303.81**
Reserves of MIC Electronics Inc.						(723.98)	**-723.98**
Balance as at 31.03.2022	**17,159.50**	**21,642.74**	**5,838.81**	**180.00**	**1,800.00**	**(44772.54)**	**1,848.52**
Profit for the year	-	-	-	-	-	24.76	**24.76**
Share Premium	-		-	-	-	-	**0.00**
Reduction in share capital pursuant to NCLT Order		-	-	-	-	-	**0.00**
Balance as at 31.03.2023	**17159.50**	**21642.74**	**5838.81**	**180.00**	**1800.00**	**(44747.78)**	**1873.28**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

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MIC ELECTRONICS LIMITED
HYDERABAD

Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2023 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land & Land Development	2,164.71	-	61.70	2,103.01	-			-	2,103.01	2,164.71
Buildings	2,216.41	33.41	127.30	2,122.52	395.41	107.28	33.84	468.85	1,653.66	1,821.00
Plant & Machinery	9,668.29	42.78	68.81	9,642.26	9349.81	89.24	66.85	9372.20	270.06	318.48
Furniture & Fixtures	220.31	-	9.70	210.61	192.74	3.83	9.21	187.36	23.25	27.57
Office Equipment	33.56	2.20	-	35.77	29.12	0.76		29.88	5.88	4.44
Electrical Installations	136.28	3.22	1.34	138.16	116.74	0.70	1.27	116.17	21.99	19.54
D.G.Set	12.28	-	-	12.28	11.67			11.67	0.61	0.61
Transformer	11.09	-	-	11.09	10.54			10.54	0.55	0.55
Vehicles	401.83	24.01	116.64	309.20	82.17	27.09	24.89	84.37	224.82	319.66
Computers	359.18	4.60	4.31	359.48	343.65	4.45	4.28	343.83	15.65	15.52
Display Equipment not put to use	48.54	-		48.54	48.07			48.07	0.47	0.47
Total (Rs)	**15272.48**	**110.22**	**389.80**	**14992.91**	**10579.92**	**233.36**	**140.34**	**10672.94**	**4319.97**	**4692.55**

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land & Land Development	2,164.71	-	-	2,164.71	-	-	-	-	2,164.71	2,164.71
Buildings	2,216.41	-	-	2,216.41	285.65	109.75	-	395.41	1,821.00	1,930.76
Plant & Machinery	9,648.72	19.57	-	9,668.29	9,255.53	94.28	-	9,349.81	318.48	393.19
Furniture & Fixtures	220.31	-	-	220.31	168.16	24.59	-	192.74	27.57	52.15
Office Equipment	33.09	0.47	-	33.56	25.88	3.24	-	29.12	4.44	7.21
Electrical Installations	136.28	-	-	136.28	100.75	15.99	-	116.74	19.54	35.53
D.G.Set	12.28	-	-	12.28	7.00	4.67	-	11.67	0.61	5.28
Transformer	11.09	-	-	11.09	6.32	4.22	-	10.54	0.55	4.77
Vehicles	303.02	189.39	90.58	401.83	127.22	26.68	71.73	82.17	319.66	175.80
Computers	352.76	6.41	-	359.18	339.28	4.37	-	343.65	15.52	13.48
Display Equipment not put to use	48.54	-	-	48.54	48.07	-	-	48.07	0.47	0.47
Total (Rs)	**15147.22**	**215.85**	**90.58**	**15272.48**	**10363.85**	**287.79**	**71.73**	**10579.92**	**4692.55**	**4783.36**

BHAVANI & CO. Chartered Accountants HYDERABAD FRN 012139S

MIC Electronics Limited Hyd

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2023 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2022	Additions	Disposals	As at 31.03.2023	As at 01.04.2022	Additions	Deletions	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	171.81	1.50	-	173.31	157.35	3.33	-	160.68	12.63	14.47
Technology Transfer	-	10.00	-	10.00	-	0.69	-	0.69	9.31	-
Total (Rs)	**171.81**	**11.50**	**0.00**	**183.31**	**157.35**	**4.03**	**0.00**	**161.37**	**21.94**	**14.47**

The changes in the carrying value of intangible assets for the year ended 31st March, 2022 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	170.58	1.23	-	171.81	153.93	3.42	-	157.35	14.47	16.65
Total (Rs)	**170.58**	**1.23**	**-**	**171.81**	**153.93**	**3.42**	**-**	**157.35**	**14.47**	**16.65**

BHAVANI & CO. Chartered Accountants HYDERABAD FRN 012139S

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE - 2.03		
Other Financial Assets		
Unsecured, Considered Good :		
- Security Deposits	89.67	19.12
- Bank Deposits with more than 12 months maturity	65.66	2.34
	155.32	**21.46**
Unsecured, considered doubtful :		
- Security Deposits	544.37	546.37
	544.37	**546.37**
Less : Provision for doubtful deposits/advances	**546.37**	**546.37**
	153.32	**21.46**
NOTE - 2.04		
Other Non Current Assets		
Unsecured, Considered Good :		
Captial Advances	0.98	0.00
Electricity depost	11.02	7.18
Others	1.80	2.40
	13.80	**9.57**
Unsecured, considered doubtful :		
Others		
- Share Application money pending allotment in other companies	30.00	30.00
	30.00	**30.00**
Less : Provision for doubtful deposits/advances	30.00	30.00
	13.80	**9.57**
NOTE- 2.05		
Inventories		
Raw Material	222.53	193.50
Work-in-Progress	420.76	76.99
Finished Goods	188.47	2.39
Purchase in Transit	0.00	24.81
Stock in Trade	741.38	487.38
Stores and Spares	2.73	1.78
	1575.87	**786.85**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE- 2.06		
Trade Receivables		
Trade receivables considered good - unsecured	251.23	98.34
Less : Allowance for expected credit loss		-
Trade receivables considered good - unsecured	251.23	98.34
Trade receivables which have significant increase in credit risk	30.34	36.16
Less : Allowance for expected credit loss	-	-
	30.34	36.16
Trade receivables - credit impaired	3285.55	3301.92
Less : Allowance for expected credit loss	3,285.55	3301.92
	(0.00)	-
Total Trade receivables	**281.57**	**134.50**

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

Particulars	Less than six	6 months to 1	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	251.23	-	-	-	-	251.23
- Which have significant	-	3.48	2.41		24.45	30.34
- Credit impaired	-	-	0.67	7.35	3277.53	3285.55
	251.23	3.48	3.07	7.35	3301.98	3567.12
Less : Allowance for credit loss						3285.55
Total Trade receivables						**281.57**

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

Particulars	Less than six	6 months to 1	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	97.95	-	0.39	-	-	98.34
- Which have significant	-	-	0.46	17.77	17.93	36.16
- Credit impaired			8.02	0.87	3293.02	3301.92
	97.95	0.00	8.87	18.65	3310.95	3436.42
Less : Allowance for credit loss						3301.92
Total Trade receivables						**134.50**

NOTE- 2.07		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	10.09	2.13
Cheques, Drafts on Hand	4.05	10.00
Cash in Hand	23.02	2.21
	37.16	**14.35**
NOTE- 2.08		
In Margin Money Accounts	57.75	82.78
	57.75	**82.78**
NOTE- 2.09		
Loans		
Considered Good - Unsecured		
Other Loans	704.94	844.67
	704.94	844.67
NOTE- 2.10		
Other Current Assets		
Unsecured Considered Good		
Deposits	74.37	74.37
Interest receivable	24.74	23.72
Advance for expenses	2.50	0.51
Other Advances		
(i) Prepaid Expenses	2.14	8.38
(ii) Balances with Govt Authorities		
TDS receivable	4.17	38.91
GST Input	214.13	135.83
(iii) Others		
Advance for Materials	262.94	156.09
Advance for Services	4.03	1.07
Other advances	-	5.00
	589.01	**443.89**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
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NOTE - 2.11
Equity Share Capital

(Rs.in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	37,50,00,000	7,500.00	37,50,00,000	7,500.00
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	22,14,46,343	4,428.93	22,14,46,343	4,428.93
	22,14,46,343	**4,428.93**	**22,14,46,343**	**4,428.93**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	22,14,46,343	4,428.93	22,02,54,319	4405.09
Reduction in share capital	-	-	(16,51,90,319)	(3303.81)
Fresh Issue	-	-	16,63,82,343	3327.65
Closing Balance	**22,14,46,343**	**4428.93**	**22,14,46,343**	**4428.93**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
		Number of shares held	% holding	Number of shares	% holding
	Equity shares with voting rights				
1	Siva Lakshmana Rao Kakarala	1,64,28,191	7.42%	1,64,28,191	7.42%
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	14,88,29,402	67.21%

c) Details of shares held by promoters as at 31.03.2023

Sr No	Promoter Name	Number of shares	% of total shares	% of change during the year
1	Siva Lakshmana Rao Kakarala	1,64,28,191	7.42%	-
2	RRK Enterprise Pvt Ltd	14,88,29,402	67.21%	-

NOTE - 2.12
Borrowings

	Portion (*)	Portion	Current Portion	Non-Current
Secured Loans				
Deferred payment liabilities Bank Loans	39.91	180.48	73.44	235.01
	39.91	**180.48**	**73.44**	**235.01**

(*) Current portion of Long-term liabilities shown under other current liabilities

Deferred payment liabilities are vehicle loans availed from Axis Bank & HDFC Bank and secured by hypothecation of vehicles which carries the following terms & conditions.

Name	Loan Amount	Month of First	Rate of Interest	Month of Last
Axis Bank - Range rover car Loan	93.00	10-Nov-21	8.26%	10-Oct-25
HDFC Bank - Benz Car	85.46	7-Apr-21	10.00%	7-Mar-26
HDFC Bank - Creta Car Loan	8.15	5-May-21	11.00%	5-Oct-25
HDFC Bank - Benz Car 2021	61.48	7-Dec-21	10.75%	7-Nov-26
HDFC Bank - Camry Car Loan	13.54	5-Oct-19	12.25%	5-Feb-23

NOTE- 2.13
Long Term Provisions

Provision for employee benefits		
- Provision for gratuity	7.08	3.19
- Provision for leave encashment	8.67	3.46
	15.74	**6.66**

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(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE - 2.14		
Borrowings		
(A) Secured Loans - from Banks		
Bank of Maharashtra (STL/WCDL ACCOUNT)	587.41	100.00
Bank of Maharashtra (CC ACCOUNT)	453.61	-
Working Capital Loan from State Bank of India	379.74	379.95
(B) Loan from Directors	15.00	-
Total Borrowings (i+ii)	**1435.76**	**479.95**

WCDL/CC limts taken from Bank of Maharashtra is secured as follows:

1) Primary : Hypothecation of entire current assets both present and future

2) Equitable Mortgage of Industrial Land and building located at Plot Nos.A-4/1 to A-4/7 situated at Electronics Complex, Kushaiguda,

3)Personal guarantee of Y Kaushik (Managing Director) and Y Satya Poorna Chandar.

Working Capital loan taken from State Bank of India is secured as follows:

1) Paripassu charge on current assets of the company both present and future.

2)Personal guarantee of Y Satya Poorna Chandar and K Manideep and properties of Y Satya Poorna Chandar

NOTE - 2.15
Trade Payables

Payables for materials				
-dues to MSME	-		-	
-dues to Others	24.45		14.64	
Payables for services				
-dues to MSME	-		-	
-dues to Others	33.38		35.89	
		57.83		50.53
		57.83		**50.53**

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

(Rs. In Lakhs)

Particulars	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Others	46.42	3.49	1.22	6.70	57.83
Total trade payables	**46.42**	**3.49**	**1.22**	**6.70**	**57.83**

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

(Rs. In Lakhs)

Particulars	Less than 1	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Others	28.41	7.56	7.91	6.65	50.53
Total trade payables	**28.41**	**7.56**	**7.91**	**6.65**	**50.53**

NOTE - 2.16
Other Financial Liabilities

Current maturities of long term borrowings (Refer Note No : 2.12)	39.91	73.44
Interest accrued and due on borrowings		
Secured		
- Interest accrued and due on borrowings	5.39	0.13
Payable on Building Creditors	0.18	-
Payable on Capital Assets -Creditors	0.06	-
Payables for expenses	66.41	41.75
	111.94	**115.32**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
NOTE - 2.17		
Other Current Liabilities		
Statutory remittances	118.94	131.22
Salaries Payable	54.50	36.78
Directors remuneration Payable	7.90	11.06
Loan from Directors		
Advance from customers	301.41	3.02
Security deposits received	19.00	35.67
Others	30.85	5.13
	532.60	**222.88**
NOTE - 2.18		
Current Tax Liabilities (NET) :		
Income Tax	-	17.25
	-	**17.25**

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

(Rs. In Lakhs)

Particulars		Year ended 31.03.2023		Year ended 31.03.2021
NOTE- 2.19				
Revenue from Operations				
(A) Revenue from Sale of products				
Domestic	145.95		4,385.67	
		145.95		**4,385.67**
Trading sales		1,987.22		
		2,133.17		**4,385.67**
(B) Other operating revenues				
AMC Charges & Service Charges	130.71		109.04	
Jobworks	26.93			
		157.64		109.04
		157.64		**109.04**
Total Revenue from Operations (A+B)		**2290.81**		**4494.70**
NOTE- 2.20				
Other Incomes				
Interest Received from others		102.32		32.64
Credit Balances written back		36.34		45.95
Rents received		0.00		2.16
Profit on sale of vehicle		0.47		0.33
Foreign exchange rate difference		0.34		-
Bad debts recovered		8.25		36.31
Other non operating Income		46.62		13.09
Sales Commission		-		0.10
		194.34		**130.58**
NOTE- 2.21				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		193.50		1187.16
Add : Purchases	598.03		2038.25	
Less : Depletion in valuation of Stocks	-		1064.79	
Less : Material consumed for R&D	-		2.26	
		598.03		971.20
		791.53		**2158.36**
Less : Closing Stock		222.53		193.50
Raw Material Consumed		**569.00**		**1964.86**
B) Packing Materials and consumables				
Opening Stock		1.78		11.34
Add :Purchase of packing material & consumables		1.38		8.37
Less : Depletion in value of stocks		-		11.34
		3.16		8.37
Less : Closing Stock		2.73		1.78
Consumption		**0.43**		**6.59**
Total Cost of material consumed		**569.43**		**1971.45**

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

MIC Electronics Limited

MIC ELECTRONICS LIMITED

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2023		Year ended 31.03.2021
NOTE- 2.22				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		420.76		76.99
Finished Goods / FG in transit		188.47		2.39
Purchase in transit		0.00		24.81
Stock in Trade		741.38		487.38
	Total (A)	**1350.61**		**591.56**
Opening Stock of :				
Work-in-Progress	76.99		1939.13	
Less : Depletion in value of stocks	-	76.99	1872.48	66.65
Finished Goods	2.39		1214.36	
Less : Depletion in value of stocks	-	2.39	1214.36	0.00
Purchase in transit		24.81		331.99
Stock in Trade		487.38		
	Total (B)	**591.56**		**398.64**
Increase/(Decrease) in Stock (A-B)		**759.04**		**192.92**
NOTE- 2.23				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		303.26		289.49
Directors Remuneration		24.00		13.00
P. F. & ESI Contribution		12.01		6.31
Staff Welfare Expenses		5.35		6.02
		344.61		**314.82**
NOTE- 2.24				
Financial Cost				
Bank Charges		10.36		18.22
Interest on :				
- Short term Borrowings & Others		68.68		155.20
		79.04		**173.42**
NOTE- 2.25				
Other Expenses				
Job-works, Installation charges & Maintenance Expenses		6.51		18.96
Power and Fuel		20.13		11.32
Insurance		2.72		5.89
Repairs & Maintenance		39.02		13.00
Printing & Stationary		3.65		6.47
Postage, Telephones & Internet		3.48		3.69
Rent		10.51		4.31
Licenses, Fees, Rates & Taxes		23.74		49.87
Interest & Penalties		1.14		31.59
Professional Charges		38.82		97.28
Payment to the auditor				
As Statutory Auditors	5.50		5.50	
As Tax auditors	1.5		1.50	
for Reimbursement of expenses	0.09	7.09	0.09	7.09
General Expenses		62.44		81.83
Board Meeting Expenses		2.75		3.60
Foreign exchange rate difference		-		0.11
Security Expenses		16.09		11.01
Travelling & Conveyance		22.39		25.43
Bad debts & debit balances written off		3.44		41.43
Vehicle Maintenance		7.69		2.37
Fabrication & repair charges of vehicles				23.65
Selling & Distribution Expenses		22.71		39.04
R & D Expenses		-		61.95
		294.32		**539.89**

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NOTE- 2.26

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.27

Contingent Liabilities : The following contingent liabilities are not provided for.

(Rs. In Lakhs)

Sl No.	Particulars	As at 31th March, 2023	As at 31th March, 2022
1	Guarantees given by the company to banks towards issue of B.Gs.	106.74	39.67

NOTE- 2.28

Managerial Remuneration :

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Managing Director & Director		
Remuneration	24.00	13.00
Total	**24.00**	**13.00**

NOTE- 2.29

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" . As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 2.30

Figures have been rounded off to nearest rupee. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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Significant Accounting Policies and Notes on Accounts

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(e) Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

i. The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

ii. the financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 - "Consolidated Financial Statements".

iii. The difference between the cost of investment in the subsidiaries, the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

iv. Non controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the share holders of the company.

v. Non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet seperately from liabilities and equity of the Company's share holders.

vi. The financial statements of Bikewo Green Tech Pvt Ltd have been prepared on accrual basis and according to the historical cost basis assmuing the Company is a going concern.

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

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Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

a) Non-derivative financial assets

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) Non-derivative financial liabilities

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Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) Property plant and equipment:

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

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Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	: Weighted average cost
Stores and spares	: Weighted average cost
Work in process and finished goods	: Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

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ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

ix) Employee benefits

a) Gratuity & Provident Fund:

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Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) Accrued Leave Salary:

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) Provisions

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) Research & Development (R&D)

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii) Revenue recognition:

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

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1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

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b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lseess.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

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Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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.

b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

xv) Earnings per share

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Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time . On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16-Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

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Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

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Note : 2.31 : Disclosure Under Accounting Standards

2.31.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2022		
Present value of obligation at the beginning of the year	-	-
Interest cost		
Current service cost	2.21	3.02
Past service cost	0.98	0.44
Benefits paid/payable		
Actuarial gain/loss on obligation		
Present value of obligation at the end of the period	3.19	3.46
31st March 2023		
Present value of obligation at the beginning of the year	3.19	3.46
Interest cost	0.22	0.24
Current service cost	4.07	5.21
Past service cost		
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	(0.40)	(0.25)
Present value of obligation at the end of the period	7.08	8.67
B. Changes in the fair value of the plan Assets as on 31st March 2022		

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Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
31st March 2023		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2022		
Present value of the obligations at the end of the year	3.19	3.46
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(3.19)	(3.46)
31st March 2023		
Present value of the obligations at the end of the year	7.08	8.67
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(7.08)	(8.67)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss		
31st March 2022		
Current service cost	3.19	3.46
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	3.19	3.46
31st March 2023		
Current service cost	4.07	5.21
Past service cost	-	-
Interest cost	0.22	0.24
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	(0.25)
Expenses recognised in Statement of Profit and Loss	4.29	5.20

E. Principal Actuarial Assumptions:

DESCRIPTION	2022-23	2021-22
i. Discount Rate	7.47%	6.96%
ii. Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14
iii. Medical Cost Trend rates	-	-
iv. Expected average remaining service	14.07	13.95
v. Employee Attrition Rate (Past Service)	-	-

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

NOTE- 2.32

Segment Information (Ind AS 108): The company is operating three segments, LED products, medical appliances and E Vehicles.

NOTE- 2.33

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.RRK Enterprise Pvt Ltd	Holding Company
2	M/s.Bikewo Green Tech Pvt Ltd	Subsidiary Company
3	Shri Yalamanchili Kaushik, Managing Director	Key Management Personnel
4	Shri K.Siva Lakshmana Rao, Non Executive Director	
5	Ms.U.K.Gayathri, Independent Director	
6	Shri K Manideep, Independent Director	
7	Shri K Srinivasa Rao,Independent Director	
8	Ms K V N Lavanya, Independent Director	
9	Shri K Srikanth Reddy, Company Secretary	
10	Shri M.S.Muralikrishnan, Chief Financial Officer	
11	Shri M S Sivanand, Company Secretary	
12	Shri Srinivasan Arunachalam, Chief Executive Officer	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2023	for the year ended 31st March, 2022
1	Remuneration to Key Managerial	87.58	31.12
2	Sitting fees to Directors	2.75	3.60
3	Conveyance/Travelling expenses	4.68	-
4	Purchases from subsidiary company	1.62	-
5	Sales/Services to subsidiary company	356.46	-

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2023	As at 31st March, 2022

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1	Outstanding balances payable to Management Pesonnel	9.98	12.82
2	Sitting fee and other expenses payable to Directors	3.24	6.91
3	Balance due from Subsidiary company against receivables	58.06	-
4	Loan given to Subsidiary company	160.86	-

NOTE- 2.34

Calculation of earnings per share (Ind AS 33)

(Amount in Rs.)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Profit attributable to Share Holders	24.76	296.28
No. of Equity Shares Outstanding	22,14,46,343	22,14,46,343
Weighted No. of Equity Shares	22,14,46,343	22,14,46,343
Convertible Share Warrants	-	-
No. of diluted equity shares	22,14,46,343	22,14,46,343
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.01	0.13
Diluted EPS	0.01	0.13

NOTE- 2.35

Intangible Assets (Ind AS-38) - R&D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs. NIL (previous year Rs.62 Lakhs).

During the year the company has incurred Rs.271.32 lakhs towards development of PIS (Passenger Information System) related to hardware and software. This development expenditure has been shown under the head intangible assets under development in the balance sheet.

NOTE- 2.36

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.27

Note-2.37 : Others

2.37.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.)

	As at March 23			As at March 22		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			-			-

Trade receivables			281.57			134.50
Cash and cash equivalents			37.16			14.35
Other bank balances			57.75			82.78
Loans			704.94			844.67
Other financial assets			153.32			21.46
Total	-	–	**1234.76**	–	–	**1,097.75**
Financial Liabilities						
Borrowings			1616.24			714.96
Trade payables			57.83			50.53
Other financial liabilities			111.94			115.32
Total	-	–	**1786.01**	–	–	**880.80**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2023, and 31st March 2022, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2023, and 31st March 2022, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.37.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management

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MIC Electronics Limited

Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2023. the same has been reflected at Note No.2.06. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

	Year ended 31 March 2023	Year ended 31 March 2022
	On demand	On demand
Borrowings	1,616.24	714.96
Trade payables	57.83	50.53
liabilities	111.94	115.32
Total	1,786.01	880.80

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MIC Electronics Limited

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

Other Notes

2.41 Management reviewed the deferred tax assets/liabilities on temporary differences between the tax base of assets and liabilities and their carrying amounts for the financial reporting purpose at reporting date. However, as the company has recently came out of CIRP, there is virtual uncertainity of taxable profits in near future and availability of deferred tax assets to be set off. Accordingly, the deferred tax (net assets) for the reporting period i.e, April 1, 2022 to March 31, 2023 have not been considered.

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MIC Electronics Limited Hyd

BHAVANI & CO.,
CHARTERED ACCOUNTANTS

Tel : 040-2970 2640

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MIC ELECTRONICS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **MIC ELECTRONICS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statementof Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generallyaccepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in ouraudit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Plot No.48, Flat No.301, Micasa, Phase - I, Kavuri Hills, Hyderabad - 500 033.
E-mail : bhavaniandco@gmail.com

Key Audit Matters	Auditor's Response
Revenue Recognition : The Company recognizes revenue from products based on the terms and conditions of transactions which varies with different customers. For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.	**Principal audit procedures :** We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts. Our test of revenue samples focused on sales recorded immediately before the year – end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do notexpress any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company sofar as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specifiedunder Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure **B**".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with therequirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position inits standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to theInvestor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriatein the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN:#22229966AJNWSU6045

Place: Hyderabad
Date: 25.05.2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MIC Electronics Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed on property provided to us, we report that, the title deeds, comprising all the immoveable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(b) During the year, the company has been sanctioned working capital limits in the form of Working Capital Demand Loan (WCDL) and Short Term Loan (STL) by the Bank to the tune of Rs.15 cr. The company has not filed quarterly returns/statements with the Bank. .

iii. The Company has made investments in a Company and granted advances in the nature of loans which are unsecured to company during the year, in respect of

which:

(a) The Company has provided loan during the year.

(A) No loans or advances and guarantees or security given to subsidiaries, joint venture and associates

(B) The aggregate amount during the yearis Rs.800 lakhs and the balance outstanding at the balance sheet date with respect to such loans is Rs.800 lakhs.

(b) In our opinion, the investments made and the terms and conditions of the grant of loan during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans grantedby the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans repayable on demand during the year. . The aggregate amount of loans is Rs.800 lakhs and accounts for 100% of loan. No loans provided to the promoters or related parties as defined in clause (76) of Section 2 of the Companies Act, 2013.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. Pursuant to the rules made by the Central Government under sub section (1) of Section 148 of the Act, the maintenance of cost records is not applicable for the company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax,

Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Name of the statue	Nature of the dues	Amount	Period to which the amount relates	Due date	date of payment
Employees Provident Fund & Miscellaneous provisions act, 1952	Provident Fund	28,55,830	From 2018-19 onwards	Various dates	Nil
Income Tax Act, 1961	TDS	31,64,593	From 2018-19 onwards	Various dates	Nil
T.S.Municipalities Act, 1965	Property Tax	36,57,542	From 2018-19 onwards	Various dates	Nil

(b) There are no disputed Statutory dues during the year.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution orgovernment or any government authority.

(c) There are no Term Loans availed during the year and hence the provisions of Clause (ix) (c) of the Order are not applicable

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f)of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of theOrder is not applicable.

(b) During the year, the Company has made preferential allotment to the Resolution Applicant and strategic investors in compliance with approved Resolution Plan by Hon'ble NCLT, Hyderabad order dated 31.07.2019 and the funds raised have been used for the purposes for which the funds were raised.

xi. (a) No fraud by the Company and no material fraud on the Company has

been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints during the year by the company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), (c) and (d) of the Order are not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceeding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date,

will get discharged by the Company as and when they fall due.

xx. Since the provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the company, hence clause 3 (xx) of the Order is not applicable.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
Membership No.229966
UDIN:#22229966AJNWSU6045

Place: Hyderabad
Date: 25.05.2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub- section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **MIC ELECTRONICS LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on

the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

BHAVANI & CO. HYDERABAD FRN: 012139S Chartered Accountants

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN: #22229966AJNWSU6045

Place: Hyderabad
Date: 25.05.2022

MIC ELECTRONICS LIMITED
HYDERABAD

BALANCE SHEET AS AT 31st MARCH 2022

(Rs.in Lakhs)

Particulars	Note.		As at 31.03.2022		As at 31.03.2021
I. ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipment	2.01	4375.73		4629.56	
Other Intangible Assets	2.02	3.28		3.01	
Financial Assets					
(i) Investments	2.03	332.90		-	
(ii) Other Financial Assets	2.04	21.46		56.56	
Other Non Current Assets	2.05	7.18		5.54	
			4740.55		**4694.68**
(2) Current Assets					
Inventories	2.06	274.66		189.02	
Financial Assets					
(i) Trade receivables	2.07	129.26		396.08	
(ii) Cash & Cash Equivalents	2.08	12.31		10.35	
(iii) Bank balances other than (ii) above	2.09	82.78		91.05	
(iv) Loans	2.10	800.00		-	
(v) Other Financial Assets	2.11	-		159.38	
Other Current Assets	2.12	303.44		134.57	
			1602.45		**980.43**
TOTAL ASSETS			6343.00		5675.11
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	2.13	4428.93		4405.09	
Other Equity		1568.08		(4628.37)	
TOTAL EQUITY			**5997.01**		**(223.28)**
(2) Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	2.14	-		2608.16	
Long Term Provisions	2.15	6.66		-	
			6.66		**2608.16**
Current liabilities					
Financial Liabilities					
(i) Borrowings	2.16	100.00		170.12	
(ii) Trade Payables	2.17	42.13		63.31	
(iii) Other Financial Liabilities	2.18	41.88		2841.05	
Other current liabilities	2.19	155.32		215.74	
			339.33		3290.23
TOTAL EQUITY & LIABILITIES			**6343.00**		**5675.11**
See accompanying notes to financial statements	1-2.45				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 0121365

BHAVANI & CO HYDERABAD FRN 0121365 Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

K Srikanth Reddy
Company Secretary
M.No.: A25290

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2022

(Rs. In Lakhs)

	Particulars	Note.		Period ending 31.03.2022		Year ending 31.03.2021
I	**INCOME :**					
	Revenue from operations	2.20		3114.10		108.97
	Other Income	2.21		119.47		314.27
	Total Income			**3233.57**		**423.24**
II	**EXPENDITURE :**					
	Cost of material consumed	2.22		1971.45		19.23
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2.23		(12.73)		51.70
	Employee benefits expense	2.24		203.30		62.74
	Finance Costs	2.25		113.88		8.78
	Depreciation and amortization expense	2.01/2.02		260.58		682.36
	Other expenses	2.26		416.01		139.76
	Total expenses			**2952.48**		**964.56**
III	**Profit/(Loss) before exceptional items and tax (I-II)**			281.09		(541.32)
IV	**Exceptional Items**			-		0.00
V	**Profit/(Loss) before tax (III+IV)**			**281.09**		**(541.32)**
VI	Tax expenses:					
	Deffered tax (Liability)/Asset			-		0.00
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**			**281.09**		**(541.32)**
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			-		
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss			-		-
	B (i) Items That May Be Reclassified to Profit or Loss			-		-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss			-		-
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)			**281.09**		**(541.32)**
X	**Earnings per equity share of par value Rs 2/- each**					
	Basic			**0.13**		**(0.25)**
	Diluted			**0.13**		**(0.25)**
	Notes forming part of financial statements	1-2.45				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 0121398

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

K Srikanth Reddy
Company Secretary
M.No.: A25290

MIC ELECTRONICS LIMITED
HYDERABAD

Statement of Changes in Equity for the period ended 31st March 2022

A. Equity Share Capital

(Rs in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of reporting period
As at 31.03.2022	4,405.09	23.84	4,428.93
As at 31.03.2021	4,405.09	-	4,405.09

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2022

(Rs in Lakhs)

	Other Equity						
Particulars	Capital Reserve	Securities Premium	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 01.04.2020	**2.67**	**18843.09**	**5838.81**	**180.00**	**1800.00**	**(44604.64)**	**(17940.07)**
Profit for the year	-	-	-	-	-	(541.32)	**(541.32)**
Balances written off due to CIRP	13,853.03	-	-	-	-	-	**13,853.03**
Balance as at 31.03.2021	**13,855.70**	**18,843.09**	**5,838.81**	**180.00**	**1,800.00**	**(45,145.97)**	**(4,628.37)**
Profit for the year	-	-	-	-	-	281.09	**281.09**
Share Premium	-	2,611.55	-	-	-	-	**2,611.55**
Reduction in share capital pursuant to NCLT Order	3,303.81	-	-	-	-	-	**3,303.81**
Balance as at 31.03.2022	**17159.50**	**21454.64**	**5838.81**	**180.00**	**1800.00**	**(44864.88)**	**1568.08**

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets/ expenses / write back of liability / provision has been carried out in the books of accounts of the company. As per the order any debit or credit being the balancing figure shall be adjusted by the company in the capital reserve and the same shall be deemed to be in compliance with the applicable accounting standards. During the year, reduction in share capital is passed to capital reserve in complaince with order of NCLT dt.31.07.2019.

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

Cash Flow Statement for the year ended 31.03.2022

(Rs in Lakhs)

Particulars	Figures as at the end of 31st March 2022	Figures as at the end of 31st March 2021
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	281.09	(541.32)
Profit before Income tax	**281.09**	**(541.32)**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	260.58	682.36
Financial Charges	113.88	8.78
Interest received /Other Income	32.64	303.83
Operating Profit before Working Capital Changes	**688.18**	**453.64**
Adjustments for working capital changes		
(Increase)/Decrease in Investments	(332.90)	-
(Increase)/Decrease in Trade Receivables	266.82	554.61
(Increase)/Decrease in Inventories	(85.64)	4,763.91
(Increase)/Decrease in Loans	(800.00)	-
(Increase)/Decrease in Other financial assets	194.48	9.29
(Increase)/Decrease in Other Non Current Assets	(1.64)	862.87
(Increase)/Decrease in Other Current Assets	(168.87)	313.04
Increase/(Decrease) in Trade Payables	(21.18)	(5,868.84)
Increase/(Decrease) in Provisions	6.66	(214.67)
Increase/(Decrease) in borrowings	(2,608.16)	2,608.16
Increase/(Decrease) in Other financial liabilities	(2,799.18)	(15,933.81)
Increase/(Decrease) in Other Current Liabilities	(60.43)	(2,094.56)
Cash generated from Operations	**(6,410.04)**	**(15,000.00)**
Financial Charges paid	(113.88)	(8.78)
Direct Taxes paid	-	(68.97)
Net Cash Flow from operating activities	**(5,835.73)**	**(14,624.11)**
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	(7.01)	2,146.10
(Increase) / Decrease of Capital Work-in-Progress	-	182.55
Interest Received/Other Income	(32.64)	(303.83)
Net Cash Flow from Investing Activities	**(39.65)**	**2,024.82**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(70.12)	(1,277.57)
Deposits paid towards LCs & BGs	8.27	29.53
Increase/(Decrease) in capital reserve	3,303.81	13,853.03
Increase/(Decrease) in Share Capital	23.84	-
Increase/(Decrease) in Share Premium	2,611.55	-
Net Cash Flow from financing activities	**5,877.35**	**12,604.98**
Net Increase in Cash and Cash equivalents	1.96	5.69
Cash and Cash equivalents as at the beginning of the year	10.35	4.65
Cash and Cash equivalents as at the end of the year	**12.31**	**10.35**

Per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

M S Murali krishnan
Chief Financial Officer

K Manideep
Director
Din No.07840019

K Srikanth Reddy
Company Secretary
M.No.: A25290

MIC ELECTRONICS LIMITED
HYDERABAD

Significant Accounting Policies and Notes on Accounts

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The standalone financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) Use of estimates and judgement

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

BHAVANI & CO. HYDERABAD FRN 012365S

MIC Electronics Limited Hyd

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The standalone financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

iii) Investment in subsidiaries

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) Financial instruments

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

BHAVANI & CO HYDERABAD

MIC Electronics Limited Hyd

a) **Non-derivative financial assets**

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) **Non-derivative financial liabilities**

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) **Property plant and equipment:**

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

BHAVANI & CO. HYDERABAD FRN 012139S

MIC Electronics Limited Hyd

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

BHAVANI & CO. Chartered Accountants HYDERABAD FRN 012195S

MIC Electronics Limited Hyd

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials	: Weighted average cost
Stores and spares	: Weighted average cost
Work in process and finished goods	: Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

BHAVANI & CO. HYDERABAD FRN 012139S

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ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

BHAVANI & CO. HYDERABAD FRN 012135S Chartered Accountants

MIC Electronics Limited Hyd

ix) **Employee benefits**

a) **Gratuity & Provident Fund:**

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) **Accrued Leave Salary:**

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) **Provisions**

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) **Research & Development (R&D)**

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

xii) **Revenue recognition:**

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

BHAVANI & CO. HYDERABAD

MIC Electronics Limited Hyd

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lseess.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) Finance income and expense

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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.

b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

BHAVANI & CO. HYDERABAD FRN: 012739S

MIC Electronics Limited Hyd

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time . On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

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Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land & Land Development	2,164.71	-	-	2,164.71	-	-	-	-	2,164.71	2,164.71
Buildings	2,203.16	-	-	2,203.16	284.81	109.54	-	394.35	1,808.81	1,918.35
Plant & Machinery	9,648.11	19.57	-	9,667.68	9255.06	94.17	-	9349.23	318.45	393.05
Furniture & Fixtures	215.08	-	-	215.08	167.74	24.09	-	191.83	23.25	47.34
Office Equipment	31.78	0.23	-	32.01	25.62	2.95	-	28.57	3.44	6.17
Electrical Installations	131.30	-	-	131.30	98.84	15.52	-	114.36	16.94	32.46
D.G.Set	12.28	-	-	12.28	7.00	4.67	-	11.67	0.61	5.28
Transformer	11.09	-	-	11.09	6.32	4.22	-	10.54	0.55	4.77
Vehicles	167.56	-	90.58	76.98	122.41	1.28	71.73	51.96	25.02	45.16
Computers	349.15	5.26	-	354.41	337.33	3.60	-	340.93	13.48	11.82
Display Equipment not put to use	48.54	-	-	48.54	48.07	-	-	48.07	0.47	0.47
Total (Rs)	**14982.76**	**25.06**	**90.58**	**14917.24**	**10353.20**	**260.04**	**71.73**	**10541.51**	**4375.73**	**4629.56**

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2022 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	152.77	0.80	-	153.57	149.76	0.54		150.30	3.28	3.01
Total (Rs)	**152.77**	**0.80**	-	**153.57**	**149.76**	**0.54**	-	**150.30**	**3.28**	**3.01**

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE - 2.03		
Investments		
Investments carried at cost, Unquoted equity shares in subsidiaries:		
Bikewo Green Tech Pvt Ltd (10,40,300 No of ordinary shares of Rs.10 each fully paid up purchased at a premium of Rs.22 each)	332.90	-
	332.90	-
NOTE - 2.04		
Other Financial Assets		
Unsecured, Considered Good :		
- Security Deposits	19.12	46.97
- Bank Deposits with more than 12 months maturity	2.34	9.60
	21.46	**56.56**
Unsecured, considered doubtful :		
- Security Deposits	546.37	555.23
	546.37	**555.23**
Less : Provision for doubtful deposits/advances	**546.37**	**555.23**
	21.46	**56.56**
NOTE - 2.05		
Other Non Current Assets		
Unsecured, Considered Good :		
Electricity depost	7.18	5.54
	7.18	**5.54**
Unsecured, considered doubtful :		
Others		
- Share Application money pending allotment in other companies	30.00	30.00
	30.00	**30.00**
Less : Provision for doubtful deposits/advances	30.00	30.00
	7.18	**5.54**

NOTE- 2.06
Inventories

Raw Material	193.50		1187.16	
Less : Depletion in value of inventories	-	193.50	1064.79	122.37
Material under customs clearance	-		549.24	
Less : Depletion in value of inventories	-	-	549.24	-
Work-in-Progress	76.99		1939.13	
Less : Depletion in value of inventories	-	76.99	1872.48	66.65
Finished Goods	2.39		1214.36	
Less : Depletion in value of inventories	-	2.39	1214.36	0.00
Stores and Spares	1.78		11.34	
Less : Depletion in value of inventories	-	1.78	11.34	0.00
		274.66		**189.02**

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE- 2.07		
Trade Receivables		
Trade receivables considered good - unsecured	93.09	329.18
Less : Allowance for expected credit loss	-	-
Trade receivables considered good - unsecured	93.09	329.18
Trade receivables which have significant increase in credit risk	36.16	66.89
Less : Allowance for expected credit loss	-	-
	36.16	66.89
Trade receivables - credit impaired	3301.92	3311.98
Less : Allowance for expected credit loss	3301.92	3311.98
	-	-
Total Trade receivables	129.26	396.08

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	93.09	-	-	-	-	93.09
	329.18	-	-	-	-	329.18
- Which have significant increase in credit risk	-	-	0.46	17.77	17.93	36.16
	-	-	23.20	43.70	-	66.89
- Credit impaired	-	-	8.02	0.87	3293.02	3301.92
	4.54	4.54	0.87	-	3302.02	3311.98
	93.09	0.00	8.48	18.65	3310.95	3431.18
	333.72	4.54	24.07	43.70	3302.02	3708.06
Less : Allowance for credit loss						3301.92
						3311.98
Total Trade receivables						**129.26**
						396.08

NOTE- 2.08		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	2.13	10.24
Cheques, Drafts on Hand	10.00	-
Cash in Hand	0.18	0.10
	12.31	**10.35**
NOTE- 2.09		
In Margin Money Accounts	82.78	91.05
	82.78	**91.05**
NOTE- 2.10		
Loans		
Considered Good - Unsecured		
Other Loans	800.00	-
	800.00	**-**
NOTE- 2.11		
Other Financial Assets		
Security Deposits		
- Deposit-Delhi Metro Rail Corpn	-	159.38
	-	**159.38**
NOTE- 2.12		
Other Current Assets		
Unsecured Considered Good		
Interest receivable	23.72	0.00
Advance for expenses	0.51	1.44
Other Advances		
(i) Prepaid Expenses	0.44	1.49
(ii) Balances with Govt Authorities		
TDS receivable	36.42	28.38
GST Input	102.30	75.96
(iii) Others		
Advance for Materials	133.97	23.68
Advance for Services	1.07	3.63
Other advances	5.00	-
	303.44	**134.57**
Unsecured Considered Doubtful		
Other advances	-	15.03
	-	**15.03**
Less : Provision for bad and doubtful advances	-	15.03
	303.44	**134.57**

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NOTE - 2.13
Equity Share Capital

(Rs.in Lakhs)

	As at 31.03.2022		As at 31.03.2021	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	375,000,000	7,500.00	270,000,000.00	5,400.00
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	221,446,343	4,428.93	220,254,319	4,405.09
	221,446,343	**4,428.93**	**220,254,319**	**4,405.09**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity shares with voting rights:-				
Opening Balance	220,254,319	4,405.09	220,254,319	4405.09
Reduction in share capital	(165,190,319)	(3303.81)	-	-
Fresh Issue	166,382,343	3327.65	-	-
Closing Balance	**221,446,343**	**4428.93**	**220,254,319**	**4405.09**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Siva Lakshmana Rao Kakarala	16,428,191	7.42%	-	-
2	RRK Enterprise Pvt Ltd	148,829,402	67.21%	-	-
3	Malaxmi Infraventures India Pvt Ltd	-	-	14,000,000	6.36%

c) Details of shares held by promoters as at 31.03.2022

Sr No	Promoter Name	Number of shares	% of total shares	% of change during the year
1	Siva Lakshmana Rao Kakarala	16,428,191	7.42%	7.16%
2	RRK Enterprise Pvt Ltd	148,829,402	67.21%	100%

NOTE - 2.14
Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans				
Long Term Loans - Otherthan banks				
Srei Equipment Finance Ltd	-	-	506.74	-
Unsecured Loans				
Cosyn Consortium on account of resolution plan	-	-	-	2608.16
	-	-	506.74	2608.16

(*) Current portion of Long-term liabilities shown under other current liabilities

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE- 2.15		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	3.19	-
- Provision for leave encashment	3.46	-
	6.66	-
NOTE - 2.16		
Borrowings		
(A) Secured Loans - from Banks		
Bank of Maharashtra (STL ACCOUNT)	100.00	-
(B) UnSecured Loans		
(i) Intercorporate Loans - from others		
JBB Infrastructures Pvt Ltd	-	6.61
Reliance Capital Ltd	-	139.09
Sri Kanakadurga Castings Pvt Ltd	-	2.24
(ii)Loans against corporate guarantees-from banks		
Andhra Bank	-	15.90
Axis Bank Ltd	-	6.29
Total Borrowings (i+ii)	**100.00**	**170.12**

Short Term Loan taken from Bank of Maharashtra is secured as follows:

1) Primary : Hypothecation of entire current assets both present and future

2) Equitable Mortgage of Industrial Land and building located at Plot Nos.A-4/1 to A-4/7 situated at Electronics Complex, Kushaiguda, Industrail Park, TSIIC, Kapra, Under GHMC, Medchal-Malkajgiri - 500062.

3)Personal guarantee of Y Kaushik (Managing Director) and Y Satya Poorna Chandar.

NOTE - 2.17
Trade Payables

Payables for materials				
-dues to MSME	-		-	
-dues to Others	6.24		0.74	
Payables for services				
-dues to MSME	-		-	
-dues to Others	35.89		62.57	
		42.13		63.31
		42.13		63.31

Trade Payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

(Rs. In Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Outstanding dues to MSME	-	-	-	-	-
Others	21.19	6.38	7.91	6.65	42.13
Others	25.59	21.59	16.11	0.02	63.31
Total trade payables	**21.19**	**6.38**	**7.91**	**6.65**	**42.13**
	25.59	**21.59**	**16.11**	**0.02**	**63.31**

NOTE - 2.18
Other Financial Liabilities

Current maturities of long term borrowings (Refer Note No : 2.14)	-	506.74
Interest accrued and due on borrowings		
Secured		
- Interest accrued and due on borrowings	0.13	2220.20
Unsecured		
- Interest accrued and due on short term borrowings	-	28.21
Share Warrants Application Money refundable	-	23.08
Payables for expenses	41.75	62.82
	41.88	2841.05

NOTE - 2.19
Other Current Liabilities

Statutory remittances	117.74	84.50
Salaries Payable	26.52	94.11
Directors remuneration Payable	11.06	2.05
Others	-	35.09
	155.32	215.74

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021
NOTE- 2.20				
Revenue from Operations				
(A) Revenue from Sale of products				
Domestic	3,005.06		104.94	
		3,005.06		**104.94**
		3,005.06		**104.94**
(B) Other operating revenues				
AMC Charges & Service Charges	109.04		4.03	
		109.04		4.03
		109.04		**4.03**
Total Revenue from Operations (A+B)		**3114.10**		**108.97**
NOTE- 2.21				
Other Incomes				
Interest Received on Deposit-Delhi Metro Rail Corpn		-		298.30
Interest Received from others		32.64		5.52
Credit Balances written back		42.03		-
Rents received		2.16		10.32
Profit on sale of vehicle		0.33		-
Bad debts recovered		36.31		0.12
Other non operating Income		5.99		-
		119.47		**314.27**
NOTE- 2.22				
Cost of Materials Consumed				
A) Raw Material Consumed				
Opening Stock		1187.16		1187.16
Add : Purchases	2038.25		19.25	
Less : Depletion in valuation of Stocks	1064.79			
Less : Material consumed for R&D	2.26		0.04	
		971.20		19.22
		2158.36		1206.37
Less : Closing Stock		193.50		1187.16
Raw Material Consumed		**1964.86**		**19.22**
B) Packing Materials and consumables				
Opening Stock		11.34		11.34
Add :Purchase of packing material & consumables		8.37		0.01
Less : Depletion in value of stocks		11.34		-
		8.37		**11.35**
Less : Closing Stock		1.78		11.34
Consumption		**6.59**		**0.01**
Total Cost of material consumed		1971.45		19.23

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021
NOTE- 2.23				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		76.99		1939.13
Finished Goods / FG in transit		2.39		1214.36
	Total (A)	**79.38**		**3153.49**
Opening Stock of :				
Work-in-Progress	1939.13			1927.73
Less : Depletion in value of stocks	1872.48	66.65		
Finished Goods	1214.36			1277.46
Less : Depletion in value of stocks	1214.36	-		
	Total (B)	**66.65**		**3205.19**
Increase/(Decrease) in Stock (A-B)		**12.73**		**(51.70)**
NOTE- 2.24				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		180.24		59.98
Directors Remuneration		13.00		0.00
P. F. & ESI Contribution		6.31		2.68
Staff Welfare Expenses		3.74		0.08
		203.30		**62.74**
NOTE- 2.25				
Financial Cost				
Bank Charges		12.12		8.78
Interest on :				
- Short term Borrowings & Others		101.76		-
		113.88		**8.78**
NOTE- 2.26				
Other Expenses				
Job-works, Installation charges & Maintenance Expenses		18.96		6.75
Power and Fuel		10.15		3.23
Insurance		3.58		1.03
Repairs & Maintenance		9.98		1.45
Printing & Stationary		5.53		0.86
Postage, Telephones & Internet		2.33		3.21
Licenses, Fees, Rates & Taxes		34.65		64.62
Interest & Penalties		31.59		0.00
Professional Charges		95.51		18.55
Payment to the auditor				
As Statutory Auditors	3.50		3.50	
As Tax auditors	1.50		1.50	
for Reimbursement of expenses	0.09	5.09	0.02	5.02
General Expenses		60.00		8.28
Board Meeting Expenses		3.60		2.64
Foreign exchange rate difference		0.11		0.41
Security Expenses		11.01		5.12
Travelling & Conveyance		12.49		1.14
Bad debts & debit balances written off		41.43		-
Vehicle Maintenance		2.37		0.29
Selling & Distribution Expenses		5.66		1.50
R & D Expenses		61.95		15.67
		416.01		**139.76**

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NOTE- 2.27

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.28

Foreign Currency / Exchange Transactions :

(Rs. In Lakhs)

Sl No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A)	**Value of Imports on CIF Basis**		
	Components	118.91	15.42
		118.91	15.42

NOTE- 2.29

Contingent Liabilities : The following contingent liabilities are not provided for.

(Rs. In Lakhs)

Sl No.	Particulars	As at 31th March, 2022	As at 31th March, 2021
1	Counter guarantees given by the company to banks towards issue of B.Gs.	39.67	42.07

NOTE- 2.30

Managerial Remuneration :

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Managing Director & Director		
Remuneration	13.00	-
Total	**13.00**	-

NOTE- 2.31

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" . As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 2.32

Value of Imported and Indigenous Materials Consumed and their Percentage to total consumption:

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 22		For the year ended 31st March, 21	
	Value	%	Value	%
Imported	501.47	25.44%	18.84	97.99%
Indigeneous (including purchase of traded goods)	1,469.98	74.56%	0.39	2.01%
Total	1,971.45	100.00%	19.23	100.00%

NOTE- 2.33

Figures have been rounded off to nearest rupee in lakhs. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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Note : 2.34 : Disclosure Under Accounting Standards

2.34.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2021		
Present value of obligation at the beginning of the year	-	-
Interest cost		
Current service cost		
Past service cost		
Benefits paid/payable		
Actuarial gain/loss on obligation		
Present value of obligation at the end of the period	-	-
31st March 2022		
Present value of obligation at the beginning of the year	-	-
Interest cost	-	-
Current service cost	2.21	3.02
Past service cost	0.98	0.44
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	-	-
Present value of obligation at the end of the period	3.19	3.46
B. Changes in the fair value of the plan Assets as on 31st March 2021		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-

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Fair value of plan assets at the end of the period		
31st March 2022		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2021		
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	-	-
31st March 2022		
Present value of the obligations at the end of the year	3.19	3.46
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(3.19)	(3.46)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss	-	
31st March 2021		
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	-	-
31st March 2022		
Current service cost	3.19	3.46
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	3.19	3.46

E. Principal Actuarial Assumptions:

DESCRIPTION	2021-22	2020-21
i. Discount Rate	6.96%	-
ii. Mortality Rate	100% of IALM 2012-14	-
iii. Medical Cost Trend rates	-	-
iv. Expected average remaining service	13.95	-
v. Employee Attrition Rate (Past Service)	-	-

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

NOTE- 2.35

In accordance with Indian Accounting Standard (IndAS 108) on operating segments, informtion has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these financial statements.

BHAVANI & CO. HYDERABAD FRN 012395 Chartered Accountants

MIC Electronics Limited Hyd

NOTE- 2.36

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.RRK Enterprise Pvt Ltd	Holding Company
2	M/s.Bikewo Green Tech Pvt Ltd	Subsidiary Company
3	Shri Yalamanchili Kaushik, Managing Director	Key Management Personnel
4	Shri K.Siva Lakshmana Rao, Non Executive Director	
5	Ms.U.K.Gayathri, Independent Director	
6	Shri K Manideep, Independent Director	
7	Shri K Srinivasa Rao,Independent Director	
8	Ms K V N Lavanya, Independent Director	
9	Shri K Srikanth Reddy, Company Secretary	
10	Shri M.S.Muralikrishnan, Chief Financial Officer	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.)

Sl No.	Nature of Transaction	for the year ended 31st March, 2022	for the year ended 31st March, 2021
	Expenditure during the year		
1	Remuneration to Key Managerial personnel	31.12	7.87
2	Sitting fees to Directors	3.60	2.64

ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.)

Sl No.	Nature of Transaction	As at 31st March, 2022	As at 31st March, 2021
1	Outstanding balances payable to Management Pesonnel	12.82	8.70
2	Sitting fee and other expenses payable to Directors	6.91	3.94

NOTE- 2.37

Calculation of earnings per share (Ind AS 33)

(Amount in Rs.)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to Share Holders	281.09	(541.32)
No. of Equity Shares Outstanding	221,446,343	220,254,319
Weighted No. of Equity Shares	221,446,343	220,254,319
Convertible Share Warrants	-	-
No. of diluted equity shares	221,446,343	220,254,319
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.13	(0.25)
Diluted EPS	0.13	(0.25)

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NOTE- 2.38

Intangible Assets (Ind AS-38) - R&D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.62.00 Lakhs (previous year Rs.15.67 Lakhs)

NOTE- 2.39

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.29

Note-2.40 :Disclosure as required under Regulation 34(3) and 53(f) of SEBI (LODR)

2.40.1 Loans and advances in the nature of loans to Subsidiary companies where there is no repayment schedule or no interest : Nil

2.40.2 There are no Investments by the loanees as mentioned in 2.40.1 in the shares of MIC Electronics Ltd.

2.40.3 The company does not have any associate companies as on 31st March, 2022

2.40.4 There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

Note-2.41 : Others

2.41.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.)

	As at March 22			As at March 21		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			332.90			-
Trade receivables			129.26			396.08
Cash and cash equivalents			12.31			10.35
Other bank balances			82.78			91.05
Loans			800.00			-
Other financial assets			21.46			215.94
Total	-	-	**1378.70**	-	-	**713.41**
Financial Liabilities						
Borrowings			100.00			2,778.28
Trade payables			42.13			63.31
Other financial liabilities			41.88			2,841.05
Total	-	-	**184.01**	-	-	**5,682.65**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2022, and 31st March 2021, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2022, and 31st March 2021, respectively, are not included.

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The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.41.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2022. the same has been reflected at Note No.2.07. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in Rs.)

	Year ended 31 March 2022	Year ended 31 March 2021
	On demand	On demand
Borrowings	100.00	2,778.28
Trade payables	42.13	63.31
Other financial liabilities	41.88	2,841.05
Total	184.01	5,682.65

MIC ELECTRONICS LIMITED
HYDERABAD
Ratios

2.42 The following are analytical ratios for the year ended March 31,2022 and March 31, 2021

Particulars	Numerator	Denominator	Numerator	Denominator	31st March 2022	31st March 2021
	Description		Values (Rs.)			
Current Ratio	Current Assets	Current Liabilities	1,602.45 980.43	339.33 3,290.23	4.72	0.30
Debt Equity Ratio	Total Debts	Shareholders' Equity	106.66 2,778.28	5,997.01 (223.28)	0.02	-
Debt Service Coverage ratio	Net Income before interest and Income tax	Debt service	382.85 (541.32)	201.76 170.12	1.90	-
Return on equity (ROE)	Net profit after tax	Average Shareholders' equity	281.09	2,886.86	0.10	
Trade receivables turnover ratio	Revenue	Average Trade receivables	3,114.10 108.97	262.67 673.38	11.86	0.16
Trade payables turnover ratio	Purchases of materials	Average Trade payables	2,046.62 19.26	3.49 2,904.30	585.92	0.01
Net Capital Turnover ratio	Revenue	Working capital	3,114.10 108.97	1,263.12 (2,309.80)	2.47	-
Net Profit ratio	Net Profit	Revenue	281.09 (541.32)	3,233.57 423.24	0.09	-
Return on Capital Employed (ROCE)	Net Income before interest and Income tax	Capital Employed (Non Current Assets+ Wcapital)	382.85 (541.32)	6,003.67 2,384.88	0.06	-
Return on investments (ROI)	Net Profit after tax	Share Capital	281.09	4,428.93	0.06	

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C. **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

Other Notes

2.43 Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited ("company") under the provisions of the Insolvency and Bankrupty Code, 2016 ('Code') by an order of the National Company Law Trubinal (NCLT), Hyderabad with effect from 13th March 2018. As per Section 17 of the Code, appointed Mr.N.Prabhakar as the interim Resolution Professional (IRP) in terms of IBC. Mr.N.Prabhakar was subsequently confirmed by the committee of creditors (CoC) as the Resolution Professional (RP).

Pursuant to the approval of resolution plan, The resolution applicants has made a total payment of Rs.55.99 Crores to creditors and other Stake holders as per resolution plan approved by Honourable NCLT dated 31.07.2019. Subsquently, the company share capital was reduced from 22,02,54,319 shares to 5,50,64,000 shares of face value Rs.2.00 each on 30.06.2021.

Further, 16,63,82,343 equity shares of face value Rs.2 each together with premium were alloted on 25.03.2022 to the resolution applicants and strategic investors.

2.44 Management reviewed the deferred tax assets/liabilities on temporary differences between the tax base of assets and liabilities and their carrying amounts for the financial reporting purpose at reporting date. However, as the company has recently came out of CIRP, there is virtual uncertainity of taxable profits in near future and availability of deferred tax assets to be set off. Accordingly, the deferred tax (net assets) for the reporting period i.e, April 1, 2021 to March 31, 2022 have not been considered.

2.45 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

BHAVANI & CO.,
CHARTERED ACCOUNTANTS
Tel : 040-2970 2640

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To the members,

M/s. MIC ELECTRONICS LIMITED,

Report on the Audit of Consolidated Financial Statements:

Opinion

We have audited the accompanying consolidated financial statements of M/s. **MIC ELECTRONICS LIMITED** ("the Parent") and its subsidiary (The Parent and its subsidiary together referred to as group), which comprise the Balance Sheet as on 31stMarch, 2022, and the Statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended 31st March, 2022 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the accompanying consolidated financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies Accounting Standard Rules 2015 as amended (IndAS) and other accounting principles generally accepted in India, of the state of affairs of the group as at 31st March 2022 and its profit, total comprehensive income, its cash flows, its changes in equity for the year ended on that date.

Basis for Opinion

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

Plot No.48, Flat No.301, Micasa, Phase - I, Kavuri Hills, Hyderabad - 500 033.
E-mail : bhavaniandco@gmail.com

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	**Auditor's Response**
Revenue Recognition : The Parent recognizes revenue from products based on the terms and conditions of transactions which varies with different customers. For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgment on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.	**Principal audit procedures :** We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts. Our test of revenue samples focused on sales recorded immediately before the year – end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

Information other than the consolidated financial statements and Auditor's report there on:

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information , compare the financial statements of the subsidiary provided by the management to the extent it relates to these entities and in doing so, place reliance on the financials of subsidiary submitted by the management and consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained during the course of our audit or otherwise appears to be material misstated. Other information so far it relates to the subsidiary is traced from the financial statements submitted by the management. However, the subsidiary's financial statements are audited by other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements:

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fairview of the financial position, financial performance, in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the parent and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

We also:

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

Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, we have sought and obtained the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for possible effects of the matters as described in the "Basis of qualified opinion" paragraph, in our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

   e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The group has disclosed the impact of pending litigations on its financial position to the extent ascertained, in its consolidated financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN: #22229966AJNYCM8390

Place : Hyderabad
Date : 25.05.2022

"Annexure A" to the Consolidated Auditor's Report of even date on the Consolidated Financial Statements of MIC ELECTRONICS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MIC ELECTRONICS LIMITED ("the Parent") and its subsidiary (The Parent and its subsidiary together referred to as group), as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the group considering the essential components of internal control stated in the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BHAVANI & CO.
Chartered Accountants
Firm's Registration No. 012139S

KAVITHA PADMINI SIRIGINA
Digitally signed by KAVITHA PADMINI SIRIGINA

CA S Kavitha Padmini

Partner
Membership No.229966
UDIN: #22229966AJNYCM8390

Place : Hyderabad
Date : 25.05.2022

MIC ELECTRONICS LIMITED
HYDERABAD

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022

(Rs.in Lakhs)

Particulars	Note.		As at 31.03.2022		As at 31.03.2021
I. ASSETS					
(1) Non-Current Assets					
Property, Plant & Equipment	2.01	4692.57		4629.56	
Capital Work in Progress		462.39		-	
Other Intangible Assets	2.02	14.47		3.01	
Financial Assets					
(i) Investments	2.03	-		752.15	
(ii) Other Financial Assets	2.04	21.46		56.56	
Deferred Tax Assets (net)		-		-	
Other Non Current Assets	2.05	9.57		5.54	
			5200.47		**5446.82**
(2) Current Assets					
Inventories	2.06	786.85		189.02	
Financial Assets					
(i) Trade receivables	2.07	134.50		396.08	
(ii) Cash & Cash Equivalents	2.08	14.35		10.40	
(iii) Bank balances other than (ii) above	2.09	82.78		91.05	
(iv) Loans	2.10	844.67		-	
(v) Other Financial Assets	2.11	-		159.38	
Other Current Assets	2.12	443.89		202.46	
			2307.03		**1048.38**
TOTAL ASSETS			**7507.50**		6495.20
II. EQUITY AND LIABILITIES					
(1) Equity					
Equity Share Capital	2.13	4428.93		4405.09	
Other Equity		1848.52		(3904.39)	
Non-controlling interest		100.00			
TOTAL EQUITY			**6377.45**		**500.70**
(2) Liabilities					
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	2.14	235.01		2608.16	
Long Term Provisions	2.15	6.66		-	
Deferred Tax Liabilities (net)		2.46		-	
			244.13		**2608.16**
Current liabilities					
Financial Liabilities					
(i) Borrowings	2.16	479.95		170.12	
(ii) Trade Payables	2.17	50.53		159.07	
(iii) Other Financial Liabilities	2.18	115.32		2841.41	
Other current liabilities	2.19	222.88		215.74	
Income Tax Liabilities (Net)	2.20	17.25		-	
			885.92		**3386.35**
TOTAL EQUITY & LIABILITIES			**7507.50**		**6495.20**
See accompanying notes to financial statements	1-2.43				

As per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

CA S Kavitha Padmini
Partner
M.No : 229966

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
Director
Din No.07840019

M S Murali krishnan
Chief Financial Officer

K Srikanth Reddy
Company Secretary
M.No.: A25290

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31ST MARCH 2022

(Rs. In Lakhs)

	Particulars	Note.		Period ending 31.03.2022		Year ending 31.03.2021
I	**INCOME :**					
	Revenue from operations	2.21		4494.70		108.97
	Other Income	2.22		130.58		314.27
	Total Income			4625.28		423.24
II	**EXPENDITURE :**					
	Cost of material consumed	2.23		1971.45		19.23
	Purchase of stock-in-trade			1224.18		
	Changes in Inventories of finished goods, work-in-progress and stock-in-trade	2.24		(192.92)		51.70
	Employee benefits expense	2.25		314.82		62.74
	Finance Costs	2.26		173.42		8.92
	Depreciation and amortization expense	2.01/2.02		291.21		682.36
	Other expenses	2.27		539.89		139.94
	Total expenses			**4322.06**		**964.88**
III	**Profit/(Loss) before exceptional items and tax (I-II)**			**303.23**		**(541.65)**
IV	**Exceptional Items**			-		0.00
V	**Profit/(Loss) before tax (III+IV)**			**303.23**		**(541.65)**
VI	Tax expenses:					
	Current tax		4.39		0	
	Deffered tax (Liability)/Asset		(2.56)	(6.95)		0.00
VII	**Profit/(Loss) for the period from continuing operations (V - VI)**			**296.28**		**(541.65)**
VIII	**Other comprehensive Income**					
	A (i) Items That May Not Be Reclassified to Profit or Loss			-		
	(ii) Income Tax Relating to Items That May Not Be Reclassified to Profit or Loss			-		-
	B (i) Items That May Be Reclassified to Profit or Loss			-		-
	(ii) Income Tax Relating to Items That May Be Reclassified to Profit or Loss			-		-
IX	Total Comprehensive Income For The Period (VII+VIII) (Comprising Profit/(Loss) and Other Comprehensive Income For The Period)			**296.28**		**(541.65)**
X	**Earnings per equity share of par value Rs 2/- each**					
	Basic			**0.13**		**(0.25)**
	Diluted			**0.13**		**(0.25)**
	Notes forming part of financial statements	1-2.43				

As per our report of even date
For BHAVANI & CO
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Firm Reg. No: 012139S

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
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M S Murali krishnan
Chief Financial Officer

K Srikanth Reddy
Company Secretary
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MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

Statement of Changes in Equity for the period ended 31st March 2022

A. Equity Share Capital

(Rs in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in Equity Share capital during the year	Balance at the end of reporting period
As at 31.03.2022	4,405.09	23.84	4,428.93
As at 31.03.2021	4,405.09	0.00	4,405.09

B. Other Equity

Statement of Changes in Equity for the period ended 31st March 2022

(Rs in Lakhs)

	Other Equity						
Particulars	Capital Reserve	Securities Premium	Share warrants forfeited	Amalgamation Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 01.04.2020	**2.67**	**18843.09**	**5838.81**	**180.00**	**1800.00**	**(43828.66)**	**(17164.09)**
Profit for the year	-	-	-	-	-	(494.38)	**(494.38)**
Effect of currency translation on consolidation						(21.79)	**(21.79)**
Balances written off due to CIRP	13,853.03	-	-	-	-	-	**13,853.03**
Balance as at 31.03.2021	**13,855.70**	**18,843.09**	**5,838.81**	**180.00**	**1,800.00**	**(44,344.84)**	**(3,827.24)**
Profit for the year	-	-	-	-	-	296.28	**296.28**
Share Premium	-	2,799.65	-	-	-	-	**2,799.65**
Reduction in share capital pursuant to NCLT Order	3,303.81	-	-	-	-	-	**3,303.81**
Reserves of MIC Electronics Inc.						(723.98)	**(723.98)**
Balance as at 31.03.2022	**17159.50**	**21642.74**	**5838.81**	**180.00**	**1800.00**	**(44772.54)**	**1848.52**

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets/ expenses / write back of liability / provision has been carried out in the books of accounts of the company. As per the order any debit or credit being the balancing figure shall be adjusted by the company in the capital reserve and the same shall be deemed to be in compliance with the applicable accounting standards. During the year, reduction in share capital is passed to capital reserve in complaince with order of NCLT dt.31.07.2019.

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

Cash Flow Statement for the year ended 31.03.2022

(Rs in Lakhs)

Particulars	Figures as at the end of 31st March 2022	Figures as at the end of 31st March 2021
Cash Flow from Operating Activities		
Profit/(Loss) before Income tax from Continued Operations	296.28	(541.65)
Effect of currency translation on consolidation	-	(21.79)
Profit before Income tax	**296.28**	**(563.44)**
Adjustments for non cash/non operational expenses :		
Depreciation & amortisation expenses	291.21	682.36
Financial Charges	173.42	8.92
Decrease on account of cessation of MIC Electronics Inc	(723.98)	-
Interest received /Other Income	32.64	303.83
Operating Profit before Working Capital Changes	**69.57**	**431.66**
Adjustments for working capital changes		
(Increase)/Decrease in Investments	752.15	-
(Increase)/Decrease in Trade Receivables	261.58	554.61
(Increase)/Decrease in Inventories	(597.83)	4,763.91
(Increase)/Decrease in Loans	(844.67)	-
(Increase)/Decrease in Other financial assets	194.48	11.32
(Increase)/Decrease in Other Non Current Assets	(4.04)	864.52
(Increase)/Decrease in Other Current Assets	(241.43)	313.06
Increase/(Decrease) in Trade Payables	(108.54)	(5,873.96)
Increase/(Decrease) in Provisions	6.66	(214.67)
Increase/(Decrease) in borrowings	(2,373.15)	2,608.16
Increase/(Decrease) in Other financial liabilities	(2,726.09)	(15,933.45)
Increase/(Decrease) in Other Current Liabilities	7.13	(2,094.56)
Cash generated from Operations	**(5,673.76)**	**(15,001.07)**
Financial Charges paid	(173.42)	(8.92)
Direct Taxes paid	19.71	(68.97)
Net Cash Flow from operating activities	**(5,757.89)**	**(14,647.30)**
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible and intangible assets (net of Sale proceeds)	(365.67)	2,146.10
(Increase) / Decrease of Capital Work-in-Progress	(462.39)	182.55
Purchase of Investments	-	22.63
Interest Received/Other Income	(32.64)	(303.83)
Net Cash Flow from Investing Activities	**(860.71)**	**2,047.45**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	309.82	(1,277.57)
Deposits paid towards LCs & BGs	8.27	29.53
Increase/(Decrease) in capital reserve	3,303.81	13,853.03
Increase/(Decrease) in Share Capital	23.84	-
Non-controlling interest	100.00	-
Increase/(Decrease) in other equity	77.15	-
Increase/(Decrease) in Share Premium	2,799.65	-
Net Cash Flow from financing activities	**6,622.54**	**12,604.98**
Net Increase in Cash and Cash equivalents	3.94	5.14
Cash and Cash equivalents as at the beginning of the year	10.40	5.26
Cash and Cash equivalents as at the end of the year	**14.35**	**10.40**

Per our report of even date
For BHAVANI & CO
Chartered Accountants
Firm Reg. No: 012139S

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

CA S Kavitha Padmini
Partner
M.No : 229966

Place : Hyderabad.
Date : 25.05.2022

For MIC Electronics Limited

Yalamanchili Kaushik
Managing Director
Din No. : 07334243

K Manideep
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Chief Financial Officer

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Company Secretary
M.No.: A25290

MIC Electronics Limited Hyd

MIC ELECTRONICS LIMITED
HYDERABAD

Significant Accounting Policies and Notes on Accounts

1 Significant Accounting Policies

1.1 Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

(c) Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees in lakhs and has been rounded to the nearest rupee in lakhs except share and per share data.

(d) Use of estimates and judgement

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

BHAVANI & CO. HYDERABAD FRN 012159S Chartered Accountants

MIC Electronics Limited Hyd

(e) Principles of consolidation

The consolidated financial statements have been prepared on the following basis :

i. The consolidated financial statements are prepared to the extent possible by using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except as otherwise stated.

ii. the financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as specified in Indian Accounting Standard 110 - "Consolidated Financial Statements".

iii. The difference between the cost of investment in the subsidiaries, the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

iv. Non controlling interest in net profit/loss of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the share holders of the company.

v. Non controlling interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet seperately from liabilities and equity of the Company's share holders.

vi. The financial statements of Bikewo Green Tech Pvt Ltd have been prepared on accrual basis and according to the historical cost basis assmuing the Company is a going concern.

1.2 Summary of significant accounting policies

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The consolidated financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Foreign currency transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

Electronics Limited Hyd

iii) **Investment in subsidiaries**

Investment in subsidiaries is measured at cost. Dividend income from subsidiaries is recognized when its right to receive the dividend is established.

iv) **Financial instruments**

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognized on trade date. While, loans and borrowings and payable are recognized net of directly attributable transactions costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortized cost; non derivative financial liabilities at amortized cost.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Financial instrument is derecognized only when the Company has transferred its right to receive/ extinguish its obligation to pay cash flow from such financial instruments.

M/S Electronics Limited Hyd

BHAVANI & Co HYDERABAD FRN

a) **Non-derivative financial assets**

Financial assets at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Amortized cost is represented by security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Cash and cash equivalents comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks .

b) **Non-derivative financial liabilities**

Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

v) **Property plant and equipment:**

Recognition and measurement: Normally Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2016, the date of transition except land and building which are valued at market value.

BHAVANI & CO HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

Depreciation: Normally the Company depreciates property, plant and equipment over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act 2013 on a straight-line basis from the date the assets are ready for intended use. Wherever the useful life is determined by technical assessment for certain assets, such assets are depreciated as per their assessed life. Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and related term. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

vi) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

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MIC Electronics Limited Hyd

vii) Inventory

a) Raw materials and Work in Progress are valued at cost. Finished goods are valued at cost or net realizable value which ever is less.

b) The basis of determining the cost is

Raw materials : Weighted average cost

Stores and spares : Weighted average cost

Work in process and finished goods : Material cost plus appropriate share of labour, related overheads and levies

c) In case of identified Obsolete/Surplus/Non-moving items necessary provision is made and charged to revenue.

viii) Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

i) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 36-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 36 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 36 months ECL is a portion of the lifetime ECL which results from default events that are possible within 36 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

MIC Electronics Limited Hyd

ii) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

iii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Untill the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

BHAVANI & CO. HYDERABAD FRN 012139S Chartered Accountants

M/C Electronics Limited Hyd

ix) **Employee benefits**

a) **Gratuity & Provident Fund:**

Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.

b) The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.

c) **Accrued Leave Salary:**

Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

x) **Provisions**

All the provision are recognized as per Ind AS 37. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

xi) **Research & Development (R&D)**

Revenue expenditure on R & D is charged to revenue in the year in which it is incurred. Capital expenditure, if any, on R & D is added to fixed assets.

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MIC Electronics Limited Hyd

xii) **Revenue recognition:**

Accounting Policies, change in Accounting estimates and errors (As per Ind-As 8) :

1. Review of accounting policies

a. Revenue recognition :

Ind As 115 recognises revenue of transfer of the control of goods or services, either over a period of time or a point of time, at an amount that the entity expects to be entitles in exchange for those goods or services. In order to align with Ind As 115, the Accounting policy on revenue recognition was reviewed and revised.

The said revision has nil impact on the financials of the company as the company was recognising and accounting revenue in line with the Ind As 115.

b. Lease :

a. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.

b. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lseess.

c. the lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated over the lease term.

d. Low value leases upto Rs.6 lakhs p.a. per lease and short term leases of 12 months or less are fully charged to expense.

xiii) **Finance income and expense**

Finance income consists of interest income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

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MIC Electronics Limited Hyd

xiv) Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

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 amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company 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.

b) Deferred income tax

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 financial statements, 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 asset are recognized to the extent that 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. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

MIC Electronics Limited Hyd

BHAVANI & CO. HYDERABAD FRN 012135S Chartered Accountants

xv) Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

xvi) Borrowing costs

Borrowings costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which it occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

xvii) Prepaid Expenses

Expenses are accounted under prepaid expenses by only when the amount relating to the unexpired period.

xviii) Restatement of earliest prior period financials on material error/ommissions

The value of error and ommissions is construed to be material for restating the opening balances of assets and liabilities and equity for the earliest prior period presented if the amount in each case of earlier period income / expenses exceeds 1.00% of the previous year turnover of the company.

xix) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time . On March 23, 2022, MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16-Property Plant and Equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning or or after April 1, 2022. The company has evaluated the amendment and there is no impact on its consolidated financial statements.

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Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1,2022, although early adoption is permitted. The company has evaluated the amendment and the impact is not expected to be material.

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Note 2.01 : Property, Plant & Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows :

(Rs. In Lakhs)

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land & Land Development	2,164.71	-	-	2,164.71				0.00	2,164.71	2,164.71
Buildings	2,216.41	-	-	2,216.41	285.65	109.75	-	395.41	1,821.00	1,930.76
Plant & Machinery	9,648.72	19.57	-	9,668.29	9,255.53	94.28	-	9,349.81	318.48	393.19
Furniture & Fixtures	220.31	-	-	220.31	168.16	24.59	-	192.74	27.57	52.15
Office Equipment	33.09	0.47	-	33.56	25.88	3.24	-	29.12	4.44	7.21
Electrical Installations	136.28	-	-	136.28	100.75	15.99	-	116.74	19.54	35.53
D.G.Set	12.28	-	-	12.28	7.00	4.67	-	11.67	0.61	5.28
Transformer	11.09	-	-	11.09	6.32	4.22	-	10.54	0.55	4.77
Vehicles	303.02	189.39	90.58	401.83	127.22	26.68	71.73	82.17	319.66	175.80
Computers	352.76	6.41	-	359.18	339.28	4.37	-	343.65	15.52	13.48
Display Equipment not put to use	48.54	-	-	48.54	48.07	-	-	48.07	0.47	0.47
Total (Rs)	**15147.22**	**215.85**	**90.58**	**15272.48**	**10363.85**	**287.79**	**71.73**	**10579.91**	**4692.57**	**4783.36**

Capital Work in progress ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Electric car retro fittings	140.62	45.52	276.25	-	-	462.39
	-	-	-	-	-	-

Note 2.02 : Intangible Assets

The changes in the carrying value of intangible assets for the year ended 31st March, 2022 are as follows :

	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at 01.04.2021	Additions	Disposals	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	170.58	1.23	-	171.81	153.92	3.42		157.34	14.47	16.66
Total (Rs)	**170.58**	**1.23**	**-**	**171.81**	**153.92**	**3.42**	**-**	**157.34**	**14.47**	**16.66**

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE - 2.03		
Investments		
Investments carried at cost, Unquoted equity shares		
Other Investments by MIC Electronics Inc, USA, Sports LED Media		752.15
	-	**752.15**
NOTE - 2.04		
Other Financial Assets		
Unsecured, Considered Good :		
- Security Deposits	19.12	46.97
- Bank Deposits with more than 12 months maturity	2.34	9.60
	21.46	**56.56**
Unsecured, considered doubtful :		
- Security Deposits	546.37	555.23
	546.37	**555.23**
Less : Provision for doubtful deposits/advances	**546.37**	**555.23**
	21.46	**56.56**
NOTE - 2.05		
Other Non Current Assets		
Unsecured, Considered Good :		
Electricity depost	7.18	5.54
Others	2.40	-
	9.57	**5.54**
Unsecured, considered doubtful :		
Others		
- Share Application money pending allotment in other companies	30.00	30.00
	30.00	**30.00**
Less : Provision for doubtful deposits/advances	30.00	30.00
	9.57	**5.54**

NOTE- 2.06
Inventories

Raw Material	193.50		1187.16	
Less : Depletion in value of inventories	-	193.50	1064.79	122.37
Material under customs clearance	-		549.24	
Less : Depletion in value of inventories	-	-	549.24	-
Work-in-Progress	76.99		1939.13	
Less : Depletion in value of inventories	-	76.99	1872.48	66.65
Finished Goods	2.39		1214.36	
Less : Depletion in value of inventories	-	2.39	1214.36	0.00
Purchase in Transit		24.81		-
Stock in Trade		487.38		-
Stores and Spares	1.78		11.34	
Less : Depletion in value of inventories	-	1.78	11.34	0.00
		786.85		**189.02**

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE- 2.07		
Trade Receivables		
Trade receivables considered good - unsecured	98.34	329.18
Less : Allowance for expected credit loss	-	-
Trade receivables considered good - unsecured	98.34	329.18
Trade receivables which have significant increase in credit risk	36.16	66.89
Less : Allowance for expected credit loss	-	-
	36.16	66.89
Trade receivables - credit impaired	3301.92	3311.98
Less : Allowance for expected credit loss	3301.92	3311.98
	-	-
Total Trade receivables	**134.50**	**396.08**

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables						
- Considered good	97.95		0.39	-	-	98.34
	329.18	-	-	-	-	329.18
- Which have significant increase in credit risk	-	-	0.46	17.77	17.93	36.16
	-	-	23.20	43.70	-	66.89
- Credit impaired	-	-	8.02	0.87	3293.02	3301.92
	4.54	4.54	0.87	-	3302.02	3311.98
	97.95	0.00	8.87	18.65	3310.95	3436.43
	333.72	4.54	24.07	43.70	3302.02	3708.06
Less : Allowance for credit loss						3301.92
						3311.98
Total Trade receivables						**134.50**
						396.08

NOTE- 2.08		
Cash & Cash equivalents		
Balance with Banks :		
In Current Accounts	2.13	10.30
Cheques, Drafts on Hand	10.00	-
Cash in Hand	2.21	0.10
	14.35	**10.40**
NOTE- 2.09		
In Margin Money Accounts	82.78	91.05
	82.78	**91.05**
NOTE- 2.10		
Loans		
Considered Good - Unsecured		
Other Loans	844.67	-
	844.67	**-**
NOTE- 2.11		
Other Financial Assets		
Security Deposits		
- Deposit-Delhi Metro Rail Corpn	-	159.38
	-	**159.38**
NOTE- 2.12		
Other Current Assets		
Unsecured Considered Good		
Deposits	74.37	0.00
Interest receivable	23.72	0.00
Advance for expenses	0.51	1.44
Advance to related parties	-	67.31
Other Advances		
(i) Prepaid Expenses	8.38	2.07
(ii) Balances with Govt Authorities		
TDS receivable	38.91	28.38
GST Input	135.83	75.96
(iii) Others		
Advance for Materials	156.09	23.68
Advance for Services	1.07	3.63
Other advances	5.00	-
	443.89	**202.46**
Unsecured Considered Doubtful		
Other advances	-	15.03
	-	15.03
Less : Provision for bad and doubtful advances	-	15.03
	443.89	**202.46**

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NOTE - 2.13
Equity Share Capital

(Rs.in Lakhs)

	As at 31.03.2022		As at 31.03.2021	
	No.of Shares	Amount	No.of Shares	Amount
I. Authorised:				
Equity shares of Rs 2/- each with voting rights	375,000,000	7,500.00	270,000,000.00	5,400.00
II. Issued,Subscribed and Paid up:				
Equity shares of Rs 2/- each with voting rights	221,446,343	4,428.93	220,254,319	4,405.09
	221,446,343	**4,428.93**	**220,254,319**	**4,405.09**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the management is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a) Details of Reconciliation of Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares with voting rights:-				
Opening Balance	220,254,319	4,405.09	220,254,319	4405.09
Reduction in share capital	(165,190,319)	(3303.81)	-	-
Fresh Issue	166,382,343	3327.65	-	-
Closing Balance	**221,446,343**	**4428.93**	**220,254,319**	**4405.09**

b) Details of shares held by each shareholder holding more than 5% shares:

Sr No	Class of shares / Name of shareholder	As at 31st March, 2022		As at 31st March, 2021	
		Number of shares held	% holding	Number of shares held	% holding
	Equity shares with voting rights				
1	Siva Lakshmana Rao Kakarala	16,428,191	7.42%	-	-
2	RRK Enterprise Pvt Ltd	148,829,402	67.21%	-	-
3	Malaxmi Infraventures India Pvt Ltd	- -	-	14,000,000	6.36%

c) Details of shares held by promoters as at 31.03.2022

Sr No	Promoter Name	Number of shares	% of total shares	% of change during the year
1	Siva Lakshmana Rao Kakarala	16,428,191	7.42%	7.16%
2	RRK Enterprise Pvt Ltd	148,829,402	67.21%	100%

NOTE - 2.14
Borrowings

	Current Portion (*)	Non-Current Portion	Current Portion (*)	Non-Current Portion
Secured Loans				
Deferred payment liabilities - Bank Loans	73.44	235.01		
Long Term Loans - Otherthan banks				
Srei Equipment Finance Ltd	-	-	506.74	-
Unsecured Loans				
Cosyn Consortium on account of resolution plan	-	-	-	2608.16
	73.44	**235.01**	**506.74**	**2608.16**

(*) Current portion of Long-term liabilities shown under other current liabilities

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Deferred payment liabilities are vehicle loans availed from Axis Bank & HDFC Bank and secured by hypothecation of vehicles which carries the following terms & conditions.

Name	Loan Amount (Rs.in Lakhs)	Month of First Instalment	Rate of Interest	Month of Last Instalement
Axis Bank - Range rover car Loan	93.00	10-Nov-21	8.26%	10-Oct-25
HDFC Bank - Benz Car	85.46	7-Apr-21	10.00%	7-Mar-26
HDFC Bank - Creta Car Loan	8.15	5-May-21	11.00%	5-Oct-25
HDFC Bank - Benz Car 2021	61.48	7-Dec-21	10.75%	7-Nov-26
HDFC Bank - Camry Car Loan	13.54	5-Oct-19	12.25%	5-Feb-23

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(Rs. In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
NOTE- 2.15		
Long Term Provisions		
Provision for employee benefits		
- Provision for gratuity	3.19	-
- Provision for leave encashment	3.46	-
	6.66	-
NOTE - 2.16		
Borrowings		
(A) Secured Loans - from Banks		
Bank of Maharashtra (STL ACCOUNT)	100.00	-
Working Capital Loan from State Bank of India	379.95	-
(B) UnSecured Loans		
(i) Intercorporate Loans - from others		
JBB Infrastructures Pvt Ltd	-	6.61
Reliance Capital Ltd	-	139.09
Sri Kanakadurga Castings Pvt Ltd	-	2.24
(ii)Loans against corporate guarantees-from banks		
Andhra Bank	-	15.90
Axis Bank Ltd	-	6.29
Total Borrowings (i+ii)	**479.95**	**170.12**

Short Term Loan taken from Bank of Maharashtra is secured as follows:

1) Primary : Hypothecation of entire current assets both present and future

2) Equitable Mortgage of Industrial Land and building located at Plot Nos.A-4/1 to A-4/7 situated at Electronics Complex, Kushaiguda, Industrail Park, TSIIC, Kapra, Under GHMC, Medchal-Malkajgiri - 500062.

3)Personal guarantee of Y Kaushik (Managing Director) and Y Satya Poorna Chandar.

Working Capital loan taken from State Bank of India is secured as follows:

1) Paripassu charge on current assets of the company both present and future.

2)Personal guarantee of Y Satya Poorna Chandar and K Manideep and properties of Y Satya Poorna Chandar

NOTE - 2.17
Trade Payables

Payables for materials				
-dues to MSME	-		-	
-dues to Others	14.64		96.50	
Payables for services				
-dues to MSME	-		-	
-dues to Others	35.89		62.57	
		50.53		159.07
		50.53		**159.07**

Trade Payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021

(Rs. In Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	-	-	-	-	-
Outstanding dues to MSME	-	-	-	-	-
Others	28.41	7.56	7.91	6.65	50.53
Others	25.59	21.59	16.11	95.78	159.07
Total trade payables	**28.41**	**7.56**	**7.91**	**6.65**	**50.53**
	25.59	**21.59**	**16.11**	**95.78**	**159.07**

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NOTE - 2.18
Other Financial Liabilities

Current maturities of long term borrowings (Refer Note No : 2.14)	73.44	506.74
Interest accrued and due on borrowings		
Secured		
- Interest accrued and due on borrowings	0.13	2220.20
Unsecured		
- Interest accrued and due on short term borrowings	-	28.21
Share Warrants Application Money refundable	-	23.08
Payables for expenses	41.75	63.18
	115.32	**2841.41**

NOTE - 2.19
Other Current Liabilities

Statutory remittances	131.22	84.50
Salaries Payable	36.78	94.11
Directors remuneration Payable	11.06	2.05
Advance from customers	3.02	-
Security deposits received	35.67	-
Others	5.13	35.09
	222.88	**215.74**

NOTE - 2.20
Current Tax Liabilities (NET) :

Income Tax	17.25	-
	17.25	**-**

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021
NOTE- 2.21				
Revenue from Operations				
(A) Revenue from Sale of products				
Domestic	4,385.67		104.94	
		4,385.67		**104.94**
		4,385.67		**104.94**
(B) Other operating revenues				
AMC Charges & Service Charges	109.04		4.03	
		109.04		4.03
		109.04		**4.03**
Total Revenue from Operations (A+B)		**4494.70**		**108.97**

NOTE- 2.22

Other Incomes

Interest Received on Deposit-Delhi Metro Rail Corpn	-	298.30
Interest Received from others	32.64	5.52
Credit Balances written back	45.95	-
Rents received	2.16	10.32
Profit on sale of vehicle	0.33	-
Bad debts recovered	36.31	0.12
Other non operating Income	13.09	-
Sales Commission	0.10	-
	130.58	**314.27**

NOTE- 2.23
Cost of Materials Consumed

A) Raw Material Consumed				
Opening Stock		1187.16		1187.16
Add : Purchases	2038.25		19.25	
Less : Depletion in valuation of Stocks	1064.79			
Less : Material consumed for R&D	2.26		0.04	
		971.20		19.22
		2158.36		**1206.37**
Less : Closing Stock		193.50		1187.16
Raw Material Consumed		**1964.86**		**19.22**
B) Packing Materials and consumables				
Opening Stock		11.34		11.34
Add :Purchase of packing material & consumables		8.37		0.01
Less : Depletion in value of stocks		11.34		-
		8.37		**11.35**
Less : Closing Stock		1.78		11.34
Consumption		**6.59**		**0.01**
Total Cost of material consumed		**1971.45**		**19.23**

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(Rs. In Lakhs)

Particulars		Year ended 31.03.2022		Year ended 31.03.2021
NOTE- 2.24				
Changes in Inventory				
Closing Stock of :				
Work-in-Progress		76.99		1939.13
Finished Goods		2.39		1214.36
Purchase in transit		24.81		
Stock in Trade		487.38		
	Total (A)	**591.56**		**3153.49**
Opening Stock of :				
Work-in-Progress	1939.13			1927.73
Less : Depletion in value of stocks	1872.48	66.65		
Finished Goods	1214.36			1277.46
Less : Depletion in value of stocks	1214.36	-		
Stock in Trade		331.99		
	Total (B)	**398.64**		**3205.19**
Increase/(Decrease) in Stock (A-B)		**192.92**		**(51.70)**
NOTE- 2.25				
Employee Benefit expense				
Salary, Wages, Allowances & other Benefits		289.49		59.98
Directors Remuneration		13.00		0.00
P. F. & ESI Contribution		6.31		2.68
Staff Welfare Expenses		6.02		0.08
		314.82		**62.74**
NOTE- 2.26				
Financial Cost				
Bank Charges		18.22		8.92
Interest on :				
- Short term Borrowings & Others		155.20		-
		173.42		**8.92**
NOTE- 2.27				
Other Expenses				
Job-works, Installation charges & Maintenance Expenses		18.96		6.75
Power and Fuel		11.32		3.23
Insurance		5.89		1.03
Repairs & Maintenance		13.00		1.45
Printing & Stationary		6.47		0.86
Postage, Telephones & Internet		3.69		3.21
Rent		4.31		-
Licenses, Fees, Rates & Taxes		49.87		64.81
Interest & Penalties		31.59		0.00
Professional Charges		97.28		18.55
Payment to the auditor				
As Statutory Auditors	5.50		3.50	
As Tax auditors	1.50		1.50	
for Reimbursement of expenses	0.09	7.09	0.02	5.02
General Expenses		81.83		8.28
Board Meeting Expenses		3.60		2.64
Foreign exchange rate difference		0.11		0.41
Security Expenses		11.01		5.12
Travelling & Conveyance		25.43		1.14
Bad debts & debit balances written off		41.43		-
Vehicle Maintenance		2.37		0.29
Fabrication & repair charges of vehicles		23.65		0.00
Selling & Distribution Expenses		39.04		1.50
R & D Expenses		61.95		15.67
		539.89		**139.94**

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NOTE- 2.28

(i) In the opinion of the management the Trade Receivables, Current Assets, Loans and Advances are expected to realise the amount at which they are stated and provision for all known liabilities have been adequately made in the accounts.

(ii) The balances of trade receivables, trade payables, long term loans & advances, short term loans & advances, other current assets & other current liabilities are subject to confirmation from respective parties.

NOTE- 2.29

Contingent Liabilities : The following contingent liabilities are not provided for.

(Rs. In Lakhs)

Sl No.	Particulars	As at 31th March, 2022	As at 31th March, 2021
1	Counter guarantees given by the company to banks towards issue of B.Gs.	39.67	42.07

NOTE- 2.30

Managerial Remuneration :

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Managing Director & Director		
Remuneration	13.00	-
Total	13.00	-

NOTE- 2.31

Disclosure of Sundry Creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". As per the records with the company, none of the enterprises have been identified as Micro, Small and Medium Enterprises.

NOTE- 2.32

Figures have been rounded off to nearest rupee in lakhs. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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Note : 2.33 : Disclosure Under Accounting Standards

2.33.1 Employee Benefits as per Ind-As 19

General Description of defined/contributory benefit plans

Plan	Description
Gratuity	Gratuity provision is made to all eligible employees based on the actuarial valuation. The company is making actual gratuity payments as and when crystalized. The company has not taken any insurance policy for payment of gratuity.
Provident Fund	The company has a provident fund scheme for their employees. Contribution to the scheme are charged to profit and loss account.
Accrued Leave Salary	Liability towards Accrued Leave Salary, as at the end of the year is recognized on the basis of actuarial valuation. The company is making actual payments as and when crystalized.

Other Disclosures :

Other defined benefit plans :

(Amount in Rs.in lakhs)

	Gratuity	Accrued Leave Salary
A.Changes in the present value of the obligation as on 31st March 2021		
Present value of obligation at the beginning of the year	-	-
Interest cost		
Current service cost		
Past service cost		
Benefits paid/payable		
Actuarial gain/loss on obligation		
Present value of obligation at the end of the period	-	-
31st March 2022		
Present value of obligation at the beginning of the year	-	-
Interest cost	-	-
Current service cost	2.21	3.02
Past service cost	0.98	0.44
Benefits paid/payable	-	-
Actuarial gain/loss on obligation	-	-
Present value of obligation at the end of the period	3.19	3.46

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B. Changes in the fair value of the plan Assets as on 31st March 2021		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
31st March 2022		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid/payable	-	-
Actuarial gain/loss on plan assets	-	-
Fair value of plan assets at the end of the period		
C. Amounts recognised in the Balance sheet as on 31st March 2021		
Present value of the obligations at the end of the year	-	-
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	-	-
31st March 2022		
Present value of the obligations at the end of the year	3.19	3.46
Fair value of plan assets at the end of the year	-	-
Liability(+)/Asset (-) recognised in the balance sheet	(3.19)	(3.46)
D. Amounts recognised in the Statement of P&L for the period ended		
Expenses recognised in Statement of Profit and Loss		
31st March 2021		
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	-	-
31st March 2022		
Current service cost	3.19	3.46
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net acturarial gain/loss recognised in the year	-	-
Expenses recognised in Statement of Profit and Loss	3.19	3.46

E. Principal Actuarial Assumptions:

DESCRIPTION	2021-22	2020-21
i. Discount Rate	6.96%	-
ii. Mortality Rate	100% of IALM 2012-14	-
iii. Medical Cost Trend rates	-	-
iv. Expected average remaining service	13.95	-
v. Employee Attrition Rate (Past Service)	-	-

i) The discount rate adopted above is based on market yields at the balance sheet date on government bonds.

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NOTE- 2.34

Segment Information (Ind AS 108) - Revenues

(Amount Rs. in lakhs)

Particulars	2021-22				2020-21
	LED product	Medical appliances	Automobiles	Total	LED products
Revenue from Operations	126.72	2,987.38	1,380.60	4,494.70	108.97

NOTE- 2.35

Related party disclosures :

In Accordance with the Ind AS Issued by the ICAI, the transactions with related parties are given below:

a. List of Related Parties where there exists controlling interest and the nature of relationship :

Sl No.	Name of the Related Party	Nature of Relationship
1	M/s.RRK Enterprise Pvt Ltd	Holding Company
2	M/s.Bikewo Green Tech Pvt Ltd	Subsidiary Company
3	Shri Yalamanchili Kaushik, Managing Director	Key Management Personnel
4	Shri K.Siva Lakshmana Rao, Non Executive Director	
5	Ms.U.K.Gayathri, Independent Director	
6	Shri K Manideep, Independent Director	
7	Shri K Srinivasa Rao,Independent Director	
8	Ms K V N Lavanya, Independent Director	
9	Shri K Srikanth Reddy, Company Secretary	
10	Shri M.S.Muralikrishnan, Chief Financial Officer	
11	Shri Y Satyapoorna Chander, Director-Bikewo Green Tech P ltd	
12	Shri Rama Mohan Thammineni - Director - Bikewo Green Tech P Lt	

b) Aggregated Related party transactions

i) Particulars of transactions during the year

(Amount in Rs.in lakhs)

Sl No.	Nature of Transaction	for the year ended 31st March, 2022	for the year ended 31st March, 2021
	Expenditure during the year		
1	Remuneration to Key Managerial personnel	31.12	7.87
2	Professional Charges	18.00	0.00
3	Sitting fees to Directors	3.60	2.64

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ii) Amounts due from /(due to) related parties at the year end

(Amount in Rs.in lakhs)

Sl No.	Nature of Transaction	As at 31st March, 2022	As at 31st March, 2021
1	Outstanding balances payable to Management Pesonnel	12.82	8.70
2	Sitting fee and other expenses payable to Directors	6.91	3.94

NOTE- 2.36

Calculation of earnings per share (Ind AS 33)

(Amount in Rs.in lakhs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit attributable to Share Holders	296.28	(541.32)
No. of Equity Shares Outstanding	221,446,343	220,254,319
Weighted No. of Equity Shares	221,446,343	220,254,319
Convertible Share Warrants	-	-
No. of diluted equity shares	221,446,343	220,254,319
Nominal Value of Equity Share	2.00	2.00
Basic EPS	0.13	(0.25)
Diluted EPS	0.13	(0.25)

NOTE- 2.37

Intangible Assets (Ind AS-38) - R&D

The Research & Development expenditure, charged to statement of profit & loss during the year is Rs.62.00 Lakhs (previous year Rs.15.67 Lakhs)

NOTE- 2.38

Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37) : Necessary details in regard to provisions have been disclosed in notes 2.29

Note-2.39 : Others

2.39.1 Fair Value Measurement

Financial instruments by category

(Amount in Rs.in lakhs)

	As at March 22			As at March 21		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Investments			0.00			-
Trade receivables			134.50			396.08
Cash and cash equivalents			14.35			10.40
Other bank balances			82.78			91.05
Loans			844.67			-
Other financial assets			21.46			215.94
Total	-	-	**1097.75**	-	-	713.46

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Financial Liabilities						
Borrowings			714.96			2,778.28
Trade payables			50.53			159.07
Other financial liabilities			115.32			2,841.41
Total	-	-	**880.80**	-	-	**5,778.76**

1 Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) as of 31 March 2022, and 31st March 2021, respectively, are not included.

2 Other liabilities that are not financial liabilities (such as statutory dues payable, advances from customers and certain other accruals) as of 31 March 2022, and 31st March 2021, respectively, are not included.

The carrying amounts of above financial assets and labilities are considered to be same as their fair values, due to their short-term nature.

2.39.2 Financial Risk Management

a) Risk Management Framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the management on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The management monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, loans	Ageing analysis	Diversification of bank deposits and closing monitoring of receivables
Liquidity risk	Borrowings and other liabilities	Cash flow forecasts	Regular follow up on receivables and temporary borrowings to meet day to day operations.
Market risk-currency risk	Imports giving rise to foreign currency payables	-	-

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A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

"The Company sales are generally based on advance payments and credit sales. The trade receivables in the books are mainly on account of credit sales to different parties, government undertakings like Railways, EESL etc.

Pursuant to the order of NCLT dt.31.07.2019 approving the resolution plan, necessary write off of assets including trade and other receivables has been carried out in the books of accounts of the company. The management has made analysis of the Trade receivables and made necessary provisions for bad and doubtful debts in the books of accounts as on 31st March 2022. the same has been reflected at Note No.2.07. The provision for loss allowance based on historic losses has not been considered as it is deemed inappropriate for the current year due to unique circumstances of company going through CIRP process and subsequent write off of trade receivables.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
	On demand	On demand
Borrowings	714.96	2,778.28
Trade payables	50.53	159.07
liabilities	115.32	2,841.41
Total	880.80	5,778.76

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Since majority of the Company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

The Company's exposure to foreign currencies in minimal and hence no sensitivity analysis is presented.

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Ratios

2.40 The following are analytical ratios for the year ended March 31,2022 and March 31, 2021

Particulars	Numerator	Denominator	Numerator	Denominator	31st March 2022	31st March 2021
	Description		Values (Rs.)			
Current Ratio	Current Assets	Current Liabilities	2,307.03	885.92	2.60	
			1,048.38	3,386.35		0.31
Debt Equity Ratio	Total Debts	Shareholders' Equity	724.07	6,377.45	0.11	
			2,778.28	500.70		5.55
Debt Service Coverage ratio	Net Income before interest and Income	Debt service	451.48	635.15	0.71	
			(541.65)	170.12		-
Return on equity (ROE)	Net profit after tax	Average Shareholders' equity	296.28	3,439.07	0.09	
Trade receivables turnover ratio	Revenue	Average Trade receivables	4,494.70	265.29	16.94	
			108.97	673.38		0.16
Trade payables turnover ratio	Purchases of materials	Average Trade payables	2,046.62	55.57	36.83	
			19.26	2,952.18		0.01
Net Capital Turnover ratio	Revenue	Working capital	4,494.70	1,421.11	3.16	
			108.97	(2,337.97)		-
Net Profit ratio	Net Profit	Revenue	296.28	4,625.28	0.06	
			(541.65)	423.24		-
Return on Capital Employed (ROCE)	Net Income before interest and Income	Capital Employed (Non Current Assets+	451.48	6,621.58	0.07	
			(541.65)	3,108.86		-
Return on investments	Net Profit after tax	Share Capital	296.28	4,428.93	0.07	

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Other Notes

2.41 Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of MIC Electronics Limited ("company") under the provisions of the Insolvency and Bankrupty Code, 2016 ('Code') by an order of the National Company Law Trubinal (NCLT), Hyderabad with effect from 13th March 2018. As per Section 17 of the Code, appointed Mr.N.Prabhakar as the interim Resolution Professional (IRP) in terms of IBC. Mr.N.Prabhakar was subsequently confirmed by the committee of creditors (CoC) as the Resolution Professional (RP).

Pursuant to the approval of resolution plan, The resolution applicants has made a total payment of Rs.55.99 Crores to creditors and other Stake holders as per resolution plan approved by Honourable NCLT dated 31.07.2019. Subsquently, the company share capital was reduced from 22,02,54,319 shares to 5,50,64,000 shares of face value Rs.2.00 each on 30.06.2021.

Further, 16,63,82,343 equity shares of face value Rs.2 each together with premium were alloted on 25.03.2022 to the resolution applicants and strategic investors.

2.42 Management reviewed the deferred tax assets/liabilities on temporary differences between the tax base of assets and liabilities and their carrying amounts for the financial reporting purpose at reporting date. However, as the company has recently came out of CIRP, there is virtual uncertainity of taxable profits in near future and availability of deferred tax assets to be set off. Accordingly, the deferred tax (net assets) for the reporting period i.e, April 1, 2021 to March 31, 2022 have not been considered.

2.43 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. As on the date of these results, the Company based on the internal and external information available and the current indicators, believes that there is no material impact of the pandemic on its overall performance, except as mentioned hereinbefore. However, given the uncertainties associated with the nature and duration of COVID-19, the Company continues to monitor the situation closely and shall take appropriate actions based on material changes (if any).

ANI & CO. * Chartered Accountants * HYDERABAD 121395

MIC Electronics Limited Hyd

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

Sr. No.	Name of the proposed allottees*	Percentage of the post-Issue share capital held (%)^
1	Antara India Evergreen Fund Limited	1.80
2	Ceous Global Opportunity Fund	3.61
3	Minerva Ventures Fund	2.70

^ *Based on beneficiary position as on June 25, 2024.*

The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF BOARD OF DIRECTORS

_____

Kaushik Yalamanchili
Chairman and Managing Director

Date: June 26, 2024

Place: Hyderabad

DECLARATION

We, the Board of Directors of the Company certify that:

I. the Company has complied with the provisions of the Companies Act and the rules made thereunder;

II. the compliance with the Companies Act and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

III. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF BOARD OF DIRECTORS

_____

Kaushik Yalamanchili
Chairman and Managing Director

Date: June 26, 2024

Place: Hyderabad

I am authorized by the Board of Directors of our Company, through resolution dated September 06, 2023 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

SIGNED ON BEHALF OF BOARD OF DIRECTORS

_____

Kaushik Yalamanchili
Chairman and Managing Director

Date: June 26, 2024

Place: Hyderabad

MIC ELECTRONICS LIMITED
CIN: L31909TG1988PLC008652 **Registered Office:** Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India **Telephone**: + (91) 40 2712 2222 **Website**: www.mic.co.in. **Contact Person: Lakshmi Sowjanya Alla, Company Secretary and Compliance Officer** Plot No. 192/B, Phase-II, IDA, Cherlapally, Rangareddi, Hyderabad - 500051, Telangana, India, **E-mail**: cs@mic.co.in; **Telephone**: + 91 88 8555 2027
BOOK RUNNING LEAD MANAGER
IDBI Capital Markets & Securities Limited 6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India
LEGAL COUNSEL TO THE ISSUE AS TO INDIAN LAW
Dentons Link Legal Aiwan-e-Ghalib Complex, Mata Sundri Lane, New Delhi 110 002, India
STATUTORY AUDITORS OF OUR COMPANY
M/s. Bhavani & Co. **Chartered Accountants** Plot No. 48, Flat No. 301, Micasa, Phase - I, Kavuri Hills, Hyderabad – 500 033, Telangana, India